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EUROPEAN AFFAIRS

POLITICAL

DE ROSE EXAMINES DETERRENCE, EUROPEAN DEFENSE POLICY

Paris POLITIQUE INTERNATIONALE in French Summer 84 pp 111-122

[Article by Francois de Rose: "France and the Future of Deterrence in Europe"; the author has been a member of the Atomic Energy Committee, adjutant to the National Defense chief of staff, and permanent French representative to the Atlantic Council (1970-75). Among other things he has written "France and the Defense of Europe" (Paris: Le Seuil, 1976) and "Against the Curiace Strategy" (Paris: Julliard, 1983)]

[Text] During the European Assembly election campaign, a lot was said in France about the necessity for the nations of this continent to have a larger share in the responsibility for its defense.

Except for the Communist Party, all our political groups and political figures called upon Europeans to prepare coherently for a future in which security would be less dependent upon the United States. Very few went so far as to advocate a "European defense," an expression responding to the ambition of a totally independent defense (whereas the concept "defense of Europe" implicitly includes the United States). As for the idea of a "defense of the West in Europe," (which means that we have arrived at the concept of a global defense covering all sectors in which the free world might be threatened, such as in the Pacific or Indian Ocean, Japan, the Persian Gulf, Africa and, perhaps some day, Latin America or even in space), people are not yet ready to adopt it.

The atmosphere created by the election campaign is no doubt responsible for this, but it is useful to note that with rare exceptions the reasons given for pushing for increased European responsibility are much more political than military. They are: the need to counter pacifism, especially in the FRG, by greater participation in decision-making, especially in nuclear matters; uneasiness at the U.S. political and economic center of gravity's moving toward the Pacific and East Asia at the expense of trans-Atlantic ties; unknown factors that may emerge in the anti-ballistic missile defense-system research ordered by President Reagan (assuming that this research were to cause decoupling of allies on both sides of the Atlantic); and lastly and mostly the hope that cooperation in defense matters will make it possible to further political unification and will make up for the difficulties that the Community is having in the economy and the budget.

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Of course it can only be gratifying to see a few basic political ideas strengthen and support an action in such an essential area as security. However, it is surprising that considerations on the development of parameters of security are so generally absent from the motivation for it. This is expressed in a few ideas in which generosity outstrips the real possibilities of actualization; for example, those ideas concerning nuclear matters, or those which feature the issue of politicomilitary structures to which the most serious responsibilities would be delegated, whether these be the European Community, the Union of Western Europe, a European Nuclear Council, or a European Security Council.

Other ambitions are perhaps too modest. This is surely the case with the French government, whose prime minister recently told CORRIERE DELLA SERA that "in speaking of European defense, we have in mind mainly the standardization of conventional armaments."

In short, we seem to be aiming too high or too low. The main problem is to agree on what the threat is and on the strategy to deal with it. The problem is posed by the development of defense and is a result of the strategic nuclear balance that has been established between the USSR and the United States; it is also a result of the superiority that the USSR has gained in certain so-called theater weapons by installation of the SS-20's, followed by the SS-21's, 22's and 23's.

The result is that the concept of the defense of the Atlantic alliance based on the threat of nuclear escalation is becoming increasingly unwieldy. Deterrence depends above all on the enemy's believing in the threat he would be facing in the event of conflict. Westerners are caught between their threat to nuclearize the conflict as soon as necessary and the Soviets, who say, "We will not be the first to use nuclear weapons, but if NATO uses them, Europe will be punished terribly." It is not certain that Westerners are in the stronger psychological position.

These are precisely the factors that would play an essential part in "crisis management," as the Americans call it, when the situation would be hanging in the balance between the success or failure of deterrence, between preserving the peace and risking atomic disaster, at least for Europe. That is why it is easy to understand how non-nuclear powers, who cannot count on a presumption of sanctuary and who even feel they are doomed, particularly the FRG, can be vulnerable to pacifist ideas and to denuclearization plans, such as those proposed by the Palme Commission. And this happens even though the proposed remedies, such as the non-deployment of Euromissiles, can only be counterproductive.

It is mainly to respond to this difficulty that formulas have been increasingly sought in France to extend to our neighbors the presumption of sanctuary that was mentioned above; however, it is unfortunately necessary to repeat that these formulas are as superficially thought out as they are well-intentioned, whether they involve a "nuclear guarantee" that France (alone or in conjunction with Great Britain) would give its European allies, or whether they involve a shared decision to use the weapons, or whether, as Mr J.-P. Chevenement has suggested, they involve "making our deterrence available to Europe."

Is there not a kind of paradox in talking about a French or even Franco-British "guarantee" when the end of the American guarantee is being denounced, thus betraying considerable ignorance of the NATO concept? The doctrine of graduated response provides for the use of tactical nuclear weapons (whose range of power extends from one to several hundred kilotons) delivered by vectors with ranges varying from a few to several hundred kilometers and now even to 1,800 kilometers by the Pershing II and cruise missiles. The possible use of strategic weapons, i.e. the nuclear guarantee weapons, has a place in this concept only to the extent that it represents the threat of ultimate escalation; strategic weapons are not intended for use in initial invasion operations. Neither France nor the United Kingdom possesses the enormous arsenal on which the mechanism of escalation depends. This implies that guaranteeing the use of nuclear weapons should involve strategic weapons--after a tactical "signal," of course, but against an enemy having complete, across-the-board superiority. No French or British govern-ment could make such a commitment on behalf of another government, and even if it did so it would be believed neither by those who are to be reassured nor by those to be deterred.

"Decision-sharing" is no more practical, because the idea of a jointly-financed nuclear force is doomed in advance as long as no government in Europe is headed by a man to whom all nations would entrust the decision of life or death; that is just not about to happen!

As for the idea of "making our deterrence available to Europe," it is doubly surprising. What Europe, indeed? The Europe on our central borders or that which includes the northern and southern flanks? But it is especially strange to speak of deterrence as though it were a weapons system rather than the effects associated with the possession of that weapons system. Deterrence is a political and even psychological result in the mind of the enemy that keeps him from undertaking aggression. It is not for us to "make available" to anybody ours or the Kremlin's opinion of the credibility of a strategic initiative we might be forced to take under various circumstances.

In any event we have an example of this in the Soviet proposal to balance off the number of SS-20's with the 162 Franco-British missiles, a proposal that was made at the Geneva talks on intermediate-range missiles. Actually Moscow intended to forestall the deployment of the American missiles considered to be the only ones capable of linking the defense of Europe with the U.S. strategic system; the forces of France and Britain are obviously incapable of achieving that. Crude as the ploy was, it is nonetheless indicative of Moscow's opinion of the French and British forces as a possible European-scale deterrent.

The problem of "crisis management" thus lies mainly in the evaluation that each camp may make of the total of forces (and vulnerabilities) that are in place and that would confront each other in a conflict; it also consists in knowing whether the total of forces makes one of the two sides obviously weak at any level of possible hostilities.

Obviously no one knows what forms a Red Army aggression might take. Perhaps, as theory held until recently, it would launch a nuclear strike intended to disable NATO's defenses in the space of a few hours, even though this would entail the greatest risk of a counterstrike with the same weapons. On the other hand, we know that the size and structure of conventional Soviet forces make possible a Blitzkrieg concept that would give the Kremlin either a decisive victory or a field position guaranteeing maximum political control (perhaps even before the allies could undertake the obligatory consultations and go through the procedures authorizing the use of tactical nuclear weapons). In any case, military and civilian experts now explain that in a conventional war the West would have less and less time for decision before resorting to atomic weapons. Therefore, at the crisis stage, i.e. that of deterrence, the West--and especially Europeans--would know that in a conventional war they would be very quickly forced to choose between surrender and nuclear war; that is, they would find themselves in the worst possible position to resist enemy pressure.

The basic question for allied governments is therefore to ask themselves whether this analysis corresponds to reality and, if so, to decide whether they are going to do anything about it. This means that the West must agree on a defense concept that will enable it in a crisis to counter any enemy initiative with forces that will present to the enemy the same dangers as the West itself faces. This also means that the West must be able to prevent the USSR from hoping to be able to carry out its conventional Blitzkrieg strategy. This eventuality probably cannot be achieved very soon. The implementation of such a project would have to be based on new technologies: the accuracy of delivery systems, warhead power, perfect target siting, improvements in locating moving targets and the rapidity of information use would make it possible to substitute low-power conventional weapons for nuclear weapons and thus avoid the need for any political authorization.

Our purpose here cannot be to describe the use concept of these weapons, if only because a large body of writing has already been devoted to it, particularly in the United States, Great Britain, and the FRG. We shall thus limit ourselves to recall that these new technologies make it possible to attack the breakthrough forces and to deprive them of support by the 2nd and 3rd waves. This is accomplished by destroying air bases, depots, key passes, bridges, communications centers, etc.

No doubt it will be expensive. But, just as insurance is expensive only before an accident, deterrence is expensive only before the hour of truth.

Efforts in this direction should be made in a general context based on the specificity of the defense of Europe. Old World governments are vulnerable to all forms of conflict, unlike the superpowers, who could knock each other out only by means of nuclear weapons.

Put that way, the problem makes it very clear that it is up to Europeans, above all, to find an answer. However, the United States is the party that is pushing most strongly for a conventional type of response. This attitude naturally draws suspicion and accusations of wanting to make a nuclear withdrawal at the price of leaving Europeans open to all other forms of destruction.

Questioning people's motives is never constructive. A calm and thorough discussion of these issues should deal first with this evaluation of the threat and the means of countering it by conventional means (without in the least giving up the use of nuclear weapons, because they alone have the capacity to expose the USSR to unacceptable damage). In this regard the proposal of "no first use" of nuclear weapons is totally inadequate: it would simply guarantee the leaders in Moscow that whatever they do, except for launching a nuclear attack on their own, they would have nothing to fear from a conflict. How, then, is it possible to negotiate the crisis if one of the protagonists is assured of immunity while the others are exposed to devastating invasions?

Having said that, the work must be divided up. It is obviously inconceivable that a modernization effort would be limited to Europeans' purchasing massive amounts of American weapons incorporating new technologies. In any case, some of these technologies have already been produced by industrialists in this country and should even open the door to purchase by the U.S. armed forces. Others should involve the transfer of information and licenses that would make it possible for this effort to be started by Europeans in the common effort and create industrial activity and jobs in Europe. The United States should thus face this problem at both the governmental (administration and Congress) and industrial levels with a breadth of vision that we are unaccustomed to in this area.

There remains the problem of American troops in Europe. In an article in TIME magazine, Henry Kissinger raised the prospect of a reduction in ground forces assigned to NATO, an increase in air forces and maintenance of nuclear weapons. Despite the indignant or panicky commentaries that this article has provoked, he does not go as far as some French politicians who suggest that Europeans cannot count on a permanent American presence on the continent and should plan on providing for their own defense--while preserving the Atlantic alliance, of course.

Maybe it is possible to say that as long as the Soviet threat remains it will be necessary for the United States to keep stationed in Europe forces strong enough to show everyone that its vital interests and honor are at stake. This is the interesting thing about the formula we suggested earlier, saying that it was not simply a matter of the defense of Europe but of the defense of the "West in Europe." This formula, we repeat, stresses the fact that the United States is not involved in Europe only for our advantage but also for its own. While we are capable of seeing ourselves in this perspective, we must agree that it is in our interests that the Americans be able to protect the West where they are best able to do so. In other words, if it proved to be both necessary and possible for the Americans to "unfatten" their forces in Europe somewhat, that might not mean, of course, that they would be doing less for the defense of the West but that they would be doing more elsewhere.

There is, finally, one last consideration that militates in favor of increased effectiveness on the part of the conventional forces of European powers. It is their demographic growth. Before the end of the century, the FRG, to take only the most flagrant and important example, will no longer be able to maintain its active-duty forces at their present level. The other countries are no better off; and while the problem is less acute in France, it is due to the fact that, for one thing, the decline in the birth rate has occurred a bit late and, for another, that conscientious objectors are fewer in number than in neighboring countries.

Here too, new technologies will contribute to solving the problem by improving the cost-effectiveness ratio; that will take place in terms of both personnel and finances.

Let us finally consider the special problem of Franco-German relations posed by the fact of the existence of our tactical nuclear weapons and our conception of their use.

These weapons are the ground-to-ground Pluto missile and its successor in the coming decade, the Hades, as well as the bombs carried by our Tactical Air Force.

Both their range and the doctrine of use intend these weapons to be used near this country, i.e. in the FRG or, at farthest, in the GDR.

A large number of similar American weapons stationed in the FRG quite likely have delivery systems whose ranges limit them, too, to the territory of one or the other of the two Germanies. But this would be so in the context of the strategy agreed upon by the Alliance and providing for a "forward defense," i.e. maximum protection of German territory by firing plans more than likely known to Bonn officials in their capacity as members of the Nuclear Planning Committee (and through the participation of Bundeswehr officers at NATO headquarters; a German officer is, incidentally, the Central Europe commander).

This is not true for France. Its forces are deployed behind those of an ally; the use concept of its tactical weapons has as its objective the complete protection of French territory and the approaches to it; finally, a doctrine adopted in Paris and by Paris alone is now creating an issue on the political Right and Left in the FRG. Mr Karsten Voigt, the official in charge of defense matters for the SPD [Social Democratic Party of Germany] asked (in a speech recently delivered in Paris) that the "plans and criteria for France's use of its intermediate-range missiles be discussed jointly in order to ensure coordination with NATO plans." Mr Franz Josef Strauss, speaking in Munich last 8 April, admitted that French striking power is an advantage to the defense of Europe, and added, "But, as it is obvious that French atomic missiles are also aimed at targets located on German soil--and by Germany we also mean the GDR, of course--there is a vast field not only for exchange of information but also for harmonization with mutual clarification and joint planning." Also, Mr Juergen Todenhofer, CDU [Christian Democratic Union] spokesman on security matters, asked in an article in DIE WELT that French nuclear planning "take German interests into account."

For reasons never explained, France has always officially criticized the doctrine of "graduated response," which is quite obviously unsuited to France but which has long been satisfactory for the Alliance in general, considering the balance of military force. Now that the balance of military force has to be reassessed, the most natural thing for the French government to do, except setting up and knocking over the straw man that there could be any notion of reaching an agreement with its allies, would be to take part in this reassessment for the purpose of seeking such an agreement on the strategy most desirable to be implemented between now and the end of the century and on the means of applying it. Unless this is done, any statements in favor of promoting the role of Europeans in the defense of this continent—where France also happens to be located—would only be words lost upon the wind.

It is likely that the problem cannot be solved at present if it is conceived in purely nuclear terms. Our deterrence policy is based on the uncertainty of the moment or of the conditions under which it would be considered that our vital interests are threatened. This uncertainty makes possible a preemptive nuclear strike against a direct threat of invasion of French territory. But this policy cannot cover the hypothetical cases in which the borders of the FRG are crossed, and the FRG would not want to nuclearize the conflict at that moment anyway. The matter is complicated, and German hopes are probably no less ambiguous than French intentions. This would not be of much help in joint planning.

But it is probable that the two requirements that any French policy must meet (being able to take part in the defense of Europe and preserving the capacity to keep French territory inviolate) have differing priorities. It is also likely that French nuclear force will not be the first called upon to contribute to the security of the Old World. But that is not a foregone conclusion, and it will be less and less permissible for us to take our most important options with reference only to the criteria dictated by our national deterrence.

Thus, if current thinking is borne out (in other words, if the allies raise the level of their conventional forces so that it will no longer be necessary to resort hastily to nuclear weapons), it would change the conditions for our intervention. It would then be a matter of determining whether the Rapid Action Force would participate alone in action against the enemy offensive and for how long, and also what the First Army missions would be. If the First Army is to take part in the common defense, it must have the same combat capacity as the units it will be fighting with, otherwise it will lose strength through attrition and be forced to use its nuclear weapons while our allies would not be forced to do so.

The question quite obviously involves our relationship with the Germans and with the Alliance generally as well.

This initial conjecture seems to give rise to the idea that while our doctrine has so far given our ground forces priority to sound the last warning before strategic weapons are used, plans will have to be made for a different set of missions in the future.

Again from the viewpoint of strengthening deterrence, if Europe's continental defense evolves toward what we have already outlined, France can make its most effective contribution through the combined action of its active and reserve air and ground forces and through the contribution of its geographical position to in-depth logistics.

As for its nuclear forces, they will continue to contribute to global deterrence by the uncertainty that will continue to reign over the conditions of their use. The creation of a command independent of the First Army, one that will have assigned to it the Hades and the medium-range air-ground missiles (ASMP), will also make it possible to increase this uncertainty usefully.

However, it is probably better to admit that it would not be easy at this point to plan for coordinating our tactical strikes with those of the Alliance. But the difficulty should be lessened, even if it cannot be overcome. Our neighbors very legitimately want us not to nuclearize a conflict on their territory for reasons that concern ourselves alone. We must therefore show them that we have made up our minds to participate fully in their non-nuclear defense and that, having thus bolstered deterrence, the eventuality they fear would be very unlikely to happen. As for planning the choice of objectives, it would be more prudent to go about it only at the end and not at the beginning of a process of consultation and coordination—such a process would create an understanding that cannot be said with certainty to exist at present.

In any case, the difficulties will be all the less serious if we can show our allies that our defense policy, as a part of our general policy, is definitely directed toward increased participation in the organization of security in Europe, in terms of both purpose and execution.

Franco-German contacts are doubtless frequent enough to make it possible to lay the cornerstone of the edifice. In addition, it has been agreed that the ministers of Defense and perhaps also of Foreign Affairs of the Union of Western Europe will meet in Rome in the fall. The event is important enough to make us wish--as we said earlier--that the meeting might not end with only a few statements (or even a few commitments) concerning the joint construction of this or that materiel. As useful and even indispensable as that may be, if the governments of Western Europe really intend to take the route of cooperation in defense of the peoples to whom they are responsible, they must yet seek first to lay the groundwork of that defense. That is, they must agree on the principles and the means of the deterrence strategy that will enable them to meet the problems of the future.

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CSO: 3519/409

POLITICAL DENMARK

SDP WOMEN'S GROUP REVOLT THREATENS PARTY UNITY AT CONGRESS

Stockholm DAGENS NYHETER in Swedish 11 Jul 84 p 10

[Article by Bo Engzell, DAGENS NYHETER correspondent in Copenhagen: "Party Squabble in Denmark--Women Threaten the Beloved Anker"]

[Text] A power struggle on the open stage is shaking the Social Democratic Party in Denmark. Several election defeats in a row and several years in the opposition have caused an increased demand for a change in the leadership before the Social Democrats' congress in September. Ritt Bjerregaard and her women's group is attacking Anker Jorgensen and the "male empire" in the party.

Ritt Bjerregaard, who is controversial, and accused by men in the Social Democratic Party of having formed the "coffee club" in the Folketing (Danish Parliament), wants to take over the leadership of the party after Anker Jorgensen. The fact is that Jorgensen's position has been shaken by the election defeat. Although Jorgensen, who for many years was the prime minister of Denmark, is still called the "beloved Anker," he was nearly pushed out of the chairmanship after the general election in Denmark at the first of the year. If the party had lost any more, he would have had to go.

Nominated

Now Anker Jorgensen has been officially nominated for reelection as chairman of the party at the September congress, but several heavy LO [Federation of Trade Unions] leaders would rather see him out. They believe that the Social Democratic Party's opposition policies are not being conducted correctly. Anker Jorgensen's name may be discussed right up to the very end of the congress election.

But Ritt Bjerregaard has also lost ground despite the fact that it is now she who is the hard attacker who wants the women (meaning her candidates) to take over several of the most important posts in the party leadership. Among others she is pushing forward her personal friend, Folketing member Helle Degn, as candidate for vice chairman, and another for party secretary.

Many believe that this is all with the idea that she will pave the way for herself to the post of party leadership.

Counterattack

Anker Jorgensen is going on a counterattack against Bjerregaard, and has thrown down the gauntlet. He himself nominated a countercandidate for vice chairman. She is also a woman—the chairwoman for many years of the radio council, Birte Weiss, who was previously in disgrace with Anker Jorgensen and was kept outside the government when the party was last in power.

Anker Jorgensen's countermove is seen as somewhat of a deathblow to Ritt Bjerregaard's proposed future party leadership.

But Ritt Bjerregaard is declaring continued conflict against what she calls the "custodians" of the party, and she calls for a "women's struggle," with her name and not Anker Jorgensen's in the party leadership.

Regardless of how the election for leadership goes, Anker Jorgensen and Ritt Bjerregaard will have a hard time working together in the Folketing in the future. Ritt Bjerregaard would be sitting there as vice chairman of the Folketing Group, side by side with the former prime minister.

9287

CSO: 3650/250

EDUCATION, INTEGRATION SUCCESSES OF TURKISH YOUTH CITED

Duesseldorf HANDELSBLATT in German 3 Jul 84 p 14

[Text] ap/dpa BONN. The young foreigners, primarily from Turkey, who came late [to the FRG], it is reported, have "substantially smaller deficits than ordinarily expected". The main focus is on auxiliary courses to help them learn the German language and socio-pedagogical measures to facilitate their orientation in the German cultural field.

The result, in the words of minister of education Dorothee Wilms, is "not at all in contradiction" with the plans of federal minister of the interior, Friedrich Zimmermann (CSU), to restrict the age at which the children of foreigners can rejoin their parents to 6 years, in the interest of their chances for integration. Mrs. Wilms did not commit herself to a recommendation with respect to the age of rejoining. "This subject is not up for discussion now." In principle, she acknowledged, it is correct to enroll the children of foreigners as soon as possible in schools in the Federal Republic.

According to the Munich model experiment, 87 percent of the 191 foreign young people have successfully completed the final examination. In so doing, it was found that "noteworthy differences in level and performance" between Turkish young people with residence of many years and school completion in the FRG and those with at most 3-year residence and school completion in Turkey existed neither "with respect to their common language at the beginning of their vocational training nor their ability to learn during the training."

By contrast, the greatest difficulties were encountered by the young people who came to the FRG as 7 to 12-year-old children and did not complete school either in their homeland or in the FRG. Thus, for the development of the language and for the success in vocational training "the length of residence is less decisive than the attainment of graduation from school."

The Munich experiment, according to Mrs Wilms, is one of 24 projects, in which more than 900 foreign young people have taken part, 83 percent of these being Turks. Altogether, the Federal Government, it was reported, supported the experiments, which will be continued until 1989, with DM 22.5 million. During 1983-1984, according to the report, there are 43,400 young foreigners who will have to be trained, or 20.6 percent of the foreign resident population. During

the preceding year it was still under 39,000 young foreigners. Altogether, according to the report, there are 4,000 to 4,500 aids from the Federal Government and the lands for foreign young people in support of [vocational] training.

The federal minister of education, Dorothee Wilms (CDU) announced in front of journalists that the Federal Government will during the next year again considerably increase its repeatedly stepped-up special program of present DM 144 million for the integration of disadvantaged young people into professional life.

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POLITICAL

GERMAN-TURKISH COMMISSION TO EXPLORE BERLIN INTEGRATION

West Berlin TAGESSPIEGEL in German 5 Jul 84 p 14

[Text] The Turkish Community Berlin (TGB) has proposed the establishment of a permanent German-Turkish Commission with equal representation. As the chairman of the Turkish Community, Zafer Ilgar, said on Tuesday evening at a reception of representatives of parties, trade associations, trade unions, churches and public relief associations, deputies from all parties in the Parliament and representatives if Turkish associations were to belong to it.

The Commission should develop long-term and medium-term conceptions for an improved integration policy. This proposal was also submitted by the Turkish community not long ago to the president of the Parliament, Peter Rebsch.

The representative agent for foreigners of the Senate, Barbara John, welcomed the proposal by Ilgar and spoke in favor of the participation of the Turkish fellow citizens in the political decision-making process.

In the future the Turkish Community also intends to create a circle of German friends, which is to meet twice a year to reflect on the solution of urgent problems of Turks.

Beyond this, Ilgar proposed a revision of the naturalization law for Turks in order to enable his countrymen to plan their lives on a longer-term basis and in order to abolish the presently effective and, in his view "indifferent", legal situation.

In his conceptions with respect to the legal situation of foreigners, the chairman of the Turkish Community advocated the acquisition of German citizenship by those Turks who want to remain permanently in the Federal Republic and West Berlin. In the opinion of the association, all Turks—after a certain legal length of residence in the Federal Republic—are to receive a legal claim to integration.

Naturalization is to be preceded by a so-called residence status of "immigrant of the recruitment time". Through the acquisition of the residence right, Turks should also receive a right to participate and to help make decisions at the municipal level and thus to be placed on an equal footing with the EEC foreigners. Beyond this, the conceptions of the Turkish Community with respect

to the legal status of foreigners envisage Turkish in addition to German citizenship during the first five years.

Ilgar requested the Senate and the parliamentary groups of the Parliament to examine these proposals and "at last publicly" comment on them. Already 8 months ago, the Turkish Community had sent its proposals to all politically influential groupings in the city, asking that they take a position on them. The Young Union [Junge Union] was the only one to reply.

According to its own declarations, the Turkish Community represents about 70 percent of the Turks living in Berlin. The goal of the association is constructive cooperation in matters relating to foreigners with all politically influential groups in the Federal Republic. At the present time, approximately 120,000 Turks live in the city.

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LOCAL VOTING RIGHTS FOR FOREIGNERS EXPLORED IN FRANKFURT

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 10 Jul 84 p 12

[Text] Entirely marked by the difficulties arising from the problem of foreign employees in the Federal Republic was a technical convention and extraordinary conference of delegates of the Frankfurt Kreis Association of the Workers Social Aid [Arbeiterwohlfahrt] on Saturday in the August-Stunz-House. In addition to approximately 100 delegates, the participants included representatives of the citizens initiative committee for foreigners in Hessen, the German Labor Union Federation, the department for foreigners of the Metalworkers Union, and the diocese of Limburg, as well as representatives of Spanish, Turkish and Kurdic groupings.

Basis for discussion of the event was a memorandum on policy towards foreigners which had been developed by the "Working Group for Foreigners" of the Hessen-Sued Bezirk Association of the Workers Social Aid. According to the words of Hartmut Schubert, chairman of the working group, the paper of propositions is "characterized by the demand for change of the existing rights of foreigners with the goal of an improvement of the legal status of foreigners living in the FRG."

Against the background of planned measures to tighten up the Aliens Law [Auslaendergesetz] by the Federal Government, the Workers Social Aid in its memorandum, inter alia, raises the demand for complete equal status of foreign employees with respect to social and labor law, for a right to residence of foreigners who have been living in the FRG for at least 8 years, for a right to naturalization after 10 years of residence, and for the right to take part in municipal elections after 8 years of residence.

In the future foreign children who are minors are to be allowed to join their parents, residing in the FRG, without limitations; furthermore, in cities with more than 500,000 inhabitants and a proportion of foreigners of more than 15 percent, representative agents for foreigners are to be appointed. In the discussion far-reaching agreement with the submitted theses was expressed. Several speakers, in particular with respect to the subject of voting rights in municipal elections, pleaded for a policy of gradualism.

A Turkish representative pointed out that the majority of the German population continues to hold an attitude of rejecting foreigners. Position papers

alone, he said, are not sufficient, only work at the base can change the situation. The present practice of the policy towards foreigners, as it was further said, is "also a matter for the Germans". "What today concerns the foreigners, will tomorrow concern German unemployed, women and minorities."

"Certain hopes" of realizing the voting rights in municipal elections for foreigners in Hessen were seen by a speaker in an agreement between the SPD and the Greens of 16 May. Inter alia, it called for the formation of a commission of representatives of both parties, which is to evaluate the relevant experience in Holland, Denmark and Sweden. The memorandum of the Workers Social Aid was accepted at the end of the convention with one abstention.

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BERLIN SENATOR MODIFIES CHARGES OF FOREIGN 'CRIMINALITY'

West Berlin TAGESSPIEGEL in German 16 Jun 84 p 7

[Text] After vehement criticism, Senator for Internal Affairs Lummer yesterday submitted a differentiating assessment by way of supplement to the criminal statistics for 1983 published already at the beginning of the year. The summary statement by Lummer at that time, that in spite of the contrary development of the population there was an increase in the share of foreigners suspected of having committed an offense, had been subjected to vehement criticism in the committee for questions relating to foreigners by all parliamentary groups.

The new statistics, inter alia, differentiate according to nationalities, status, agre groups, and main types of offenses. According to the report, among the nationalities the citizens traditionally regarded as "guest workers" are not extremely strongly represented. Turks, Yugoslavs, Italians and Greeks together account for a share of 9.7 percent of the persons suspected of having committed an offense, with a share of the resident population of 8.5 percent.

The chief stress, according to the data by Lummer, is found rather among the "remaining foreigners", whose share in the crime statistics of 9.4 percent is far in excess of their share of the population of 4.2 percent. With 11,603 persons suspected of having committed an offense, this group accounted for half of the total of 23,507 foreigners suspected of having committed an offense of the past year.

Disproportionately high, according to Lummer, is also the share of children and adolescents among the persons suspected of having committed an offense. This development, in the view of Lummer, is above all a problem of integration. In the case of the second or third generation, he indicated, such a development can no longer be established.

Lummer also pointed out that in the case of certain types of offenses foreigners suspected of having committed an offense continue to be disproportionately represented. This applies, above all, to the heroin trade, offenses against life, and in the case of robberies. In the heroin trade, there were 590 foreigners among a total of 960 persons suspected of having committed an offense. Extraordinarily high is the share of applicants for asylum. In the case of

offenses against life, 67 of 164 persons suspected of having committed an offense, according to the statistics, were foreigners.

Lummer said yesterday that the point is not to stir up a "latent hostility towards foreigners" with statistics, but the problem must also not be minimized.

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POLITICAL FRANCE

GALLO, ELLEINSTEIN, BENOIST EXAMINE PCF CONDITION, FUTURE

Gallo Sees Irreversible Decline

Paris LE MATIN in French 3 Jul 84 pp 3,4

[Article by Max Gallo, writer, former government spokesman and European representative: "History Does Not Repeat Itself"]

[Text] An election result from the thirties; a loss of half of the votes in 5 years—these are the incontestable facts that make us question the irreversible decline of the PCF, no matter what answer is given. But a single event (and June 17 is not an exception to the rule) is the result of circumstances (resulting from the very short term) and major changes (over the long term).

The circumstances are well known (from the personality of the general secretary to the hesitations on the lines; from the difficulties of daily life to the European nature of the ballot). They actually only accentuate a long-term trend: the erosion of the voters' influence, the decline in activism, and the widening gap between the language, goals and form of the organization and the changes in society. In other words, less unfavorable circumstances could cause a slight rebound but it does not seem that the slope will change.

We must remember that the skein of contradictions that is strangling the PCF today could perhaps have been unraveled in the sixties. This, of course, meant making an unrelenting diagnosis in regard to the Soviet Union and, consequently, opening up in all areas, both on the organizational level (democratic centralism) and as regards the flow of ideas. We know what happened. The PCF missed this appointment with its own history. And history never presents the same sequence of events twice.

But what affects the PCF affects the entire Left and therefore first of all the socialists because only a mechanistic view of social and ideological movements would lead one to believe that what one of the parties loses in influence the other automatically gains. And this does not just apply to elections. Since the twenties the Communist Party has played an important—and sometimes major—role in the French workers' movement. To dispose of this aspect of things, as some of the party's theorists have done by reducing this to "intellectual reduction" whose "natural environment is in the middle layers of the intelligentsia," is an historical vision that is deformed either by personal experience or impassioned blindness. In fact, the Communist Party has, by its presence, by the devotion of its often model members

and by the ideas that it propagated or maintained, helped to transmit a memory-be it mutilated, deformed, manipulated or exploited--and to thereby preserve a tradition on the Left.

You would have to be unaware of the entire history of the workers' movement in this country to think that only the Russian Revolution and the Congress of Tours shaped the trends that later emerged in the Communist Party or the Socialist Party. During the sixth workers' and socialist congress held in Saint-Etienne in 1882 Brousse, the "possibilist" leader, said when speaking of Jules Guesde and his followers, intransigent Marxists, "Those on the other side of the mountains cannot obey the law of their country because their leader is in Rome. The Marxists cannot obey the decisions of the party and its congresses because their real leader (Marx) is in London. There is only one solution: separate the 'strict Marxists' and the socialist workers' state." (25 September 1882.)

So it was not only democratic centralism or Stalinism and its bureaucracy that introduced the "strict Marxists" into France. The debate between "open socialism" and "closed socialism" is at the origin and the heart of the French workers' movement. This shows how much these contradictory realities must be taken into consideration when speaking of French communism.

Is it the graft of a foreign apparatus? Yes and no because we do have the French tradition that was heard at the Congress of Tours in the form of a surge of a young generation of members coming from the war. Is it a party which has broken with the humanism of the Left, a characteristic of the socialists? Yes and no because, regardless of the policies of the leaders, there has always been, at the crucial moments in the history of this country, communists who fought against Nazism and for democracy and the freedom of colonial peoples.

If you lose sight of this "unity of opposites" that the Communist Party represents you lose sight of reality and you neglect the importance of ideas which should, on the Left and in the medium and long term, be elicited by the decline of the Communist Party. As the years have gone by we have seen the most positive elements of this contradictory unity fade. The equilibrium of 1984 is not that of 1944 or 1964. The vital substance has been weakened with each strategic error, with each reaffirmation of fidelity to the USSR and with each refusal to proclaim the totalitarian and imperialistic nature of this state.

But this activist virtue has nonetheless not disappeared completely, nor has this workers' reality which has been reduced in numbers and locations but which expresses a sensitivity and a commitment on the Left, faithfulness to one perspective. To allow this source of resistance to the social, profit-blind machine, this hope, to run dry without reacting means leaving a gap where others could fill in. And why not a populist, extreme Right in that gap?

What could in fact happen would be that the decline of the Communist Party could cause not only the shrinking of its infrastructure but also—and this is the other side of its reality—the death throes of a leftist culture which, sometimes despite itself, it continued to maintain even if only formally. To look at a symbolic example, L'HUMANITE is the newspaper founded by Jaures, even if the paper published today with this title and the name of the socialist orator is, in most respects, the opposite of the paper of 1904.

How can this be saved? What can be done so that the weakness and the decline of the Communist Party does not cost the Left as much or more as its strength did in the fifties or sixties? It seems to me that such questioning should be at the heart of socialist thinking, because the period that began with the Congress of Tours is perhaps coming to a close--even if there are still a few years to go.

This shows the significance of the present moment and the responsibility of the Socialist Party.

Possible Transformation

Paris LE MATIN in French 3 Jul 84 p 4

[Article by Jean Elleinstein, historian and former communist activist: "Only A Sudden Change..."]

[Text] The PCF's collapse at the poles presents two complementary questions. Will it last? Can the PCF change itself into again being a prime political force in modern France?

In the developed countries of non-communist Europe only the Italian Communist Party has been able to preserve and improve the position it held 30 years ago. It did this while traveling a long route that led it to seriously criticize Soviet policy to the point of causing the "strapo," the break with the Soviet Union in 1983 at the Sixteenth Congress. This break was a political and moral one that involved the basic aspects of both domestic and foreign Soviet policy—from the Sakharovs to the invasion of Afghanistan and including Poland and the Soviet Union's inability to find the means to transform itself.

It would, however, be false to limit the changes of the PCI to its relations with the Soviet Union. All of its relations with civilian society have been modified and this has resulted in its ability to take into account changes in Italian society, technological transformations and cultural and sociological changes it has undergone since the fifties. The PCI, while preserving its communist heritage, has occupied a space that in France was partially taken by the Socialist party.

The evolution of the PCF has been radically different. Despite a few significant efforts in 1975 and 1976 it has remained tied to Soviet policy. Poor application of its strategy is not to blame, but rather the strategy itself. To have stated that an evaluation of the USSR and socialist countries was "on the whole positive" was a basic error which led it to approve the invasion of Afghanistan and not to condemn Jaruzelski. The PCF was identified with the USSR and could only be rejected by a growing portion of the voters, who knew what was going on in the USSR and could only condemn it.

The PCF was unable to maintain relations with society in a manner that was accepting and understanding of modern times. It was always one step behind on all levels. Its internal operation and a rigid democratic centralism prevented it from listening to the cultural and sociological environment, which was changing in profound ways. This is why the PCF has fallen and the PCI has risen.

The existence of a strong communist party in the developed societies of the West is not a historical necessity but simply the result of a given history resulting from the interaction of men. The role of the communist party is minuscule in England, West Germany, Holland, Belgium and Austria. The PCF's decline is neither necessary nor impossible. Everything depends on its policies and its actions, its ideas and the men who are its leaders. This is precisely where its inability to transform itself so far lies.

It is this policy and the men that have implemented it that the communist voters condemned on 17 June 1984. All attempts to substantially modify the policy of the PCF have until now come up against a monolithic and archaic structure. It would be unfair to conclude that a transformation is impossible but it must be done quickly and completely in order to be credible and useful. This would require five essential conditions:

- 1. Radical criticism of Soviet policy (Afghanistan, Poland, domestic democracy and human rights, the Sakharov affair and expansionist foreign policy).
- 2. Abandoning democratic centralism and really developing internal democracy.
- 3. Recognizing technological changes and their human and cultural consequences.
- 4. Rehabilitation of all those who, in various forms, have been excluded from the PCF for many years for having suggested such moves.
- 5. A profound change in the orientation of the PCF, which cannot be limited to replacing the secretary general, regardless of his errors and his enormous share of responsibility in the decline of the PCF.

Only concrete actions over a long period of time could build confidence in the members who have left the PCF by hundreds of thousands for years, and the million voters who did not vote communist in 1981 and 1984. Is it possible? We cannot maintain too many illusions in this respect. The central committee of 25 and 26 June was hardly any different from the committee of April 1978. If there were any Fiszbins or Hinckers we no longer know it officially. Rumors circulated. Marcel Rigout confided in some journalists and then denied it the next day.

We must not confuse the storm with the noise the wind makes at night in the country when everyone is sleeping. The PCF cannot change by perpetuating secrets, by maintaining operational rules that date from Stalin's time. I do not claim to have always been right since 1978 but I clearly believed that the direction taken by the PCF was leading it to catastrophe and I both said and wrote that.

Within the PCF, and probably even within its leadership, there are tens of thousands of men and women that believe it can be transformed. The communist apparatus will probably roll right over them as it did in 1978, 1968 and in 1956. But if they still have a chance, even if a modest one, to win, it is to clearly and publicly speak out and to break the heavy constraints of democratic centralism. If they fail then the fall is inevitable and the PCF will hardly be more than a group on the Left in 10 years. But what will happen to its voters, its members and its traditions, which could be useful to the Left and to France in the decade

to come? Will the Socialist Party be capable of taking over this legacy and making it grow? Should we not help it do this? These are some of the questions that must be answered in the very near future because time is limited for the French Left.

Like Chateaubriand, we could say, "Rise up quickly, desired storms that are to take Rene into the spaces of another life."

Long-Term Gains

Paris LE MATIN in French 3 Jul 84 p 5

[Article by Jean-Marie Benoist, philosopher and writer, author of "Report on the Disintegration of the PCF," La Table Ronde, 1979: "It Is Fit As A Fiddle"]

[Text] Eleven percent in the European elections. The news arrived the evening of 17 June like the announcement of an election Waterloo for the French Communist Party and since then journalists, political scientists, pollsters and everyone in the political arena have been dissecting the slaughtered beast trying to figure out what happened and why it happened.

"An historic erosion," "an irreversible decline," "the end result of a slow process of rejection." You cannot open a magazine or a newspaper or turn the dial on the radio or television without facing this analysis of the PCF and all other political interests have been pushed aside. You would think we were back in the terrible years of 1977 and 1978 when the ballyhooed Common Program was thrown out by Georges Marchais and the destiny of the city seemed to hang on the latest jolts of this cumbersome common program which had dominated the scene for 5 obsessive years.

We must go back to 1972—to June 28—to try to understand. Francois Mitterrand was in Vienna, fatherland of a certain type of social democracy and of a certain socialist international. He stated, "Our basic goal is to remake a great socialist party on the territory occupied by the PCF itself."

Twelve years later only a single half of this program seems to have been carried out: the PCF has left a large portion of the voting territory. No matter how hard we look the day after 17 June and in the gloominess of the PS congress where the great socialist party is, only the 20.76 percent of Jospin's list can be found, which shows that although the PCF received a swift blow to the solar plexus the PS was also battered by the European vote or, as Jerome Jaffre put it in LE MONDE of 30 June 1984, "This is a large-scale, frank denial sent to all the parties of the Left."

A preliminary comment must be made: when speaking with foreigners, especially Americans (Vice-President Bush among others) Francois Mitterrand often let himself weaken the PC by "compromising" (sic) it with the administration. His illusion consisted of believing and of having it be believed that this tactical operation would benefit the PS. This was not the case and contrary to this "Viennese" strategy of 1972 it was not Mitterrand who led away the PCF voters. They left

of their own accord because, and this is what often differentiates them from members of the apparatus, they are men of honor, disheartened by the lies and gross propaganda that apparatchiks devoted to Moscow blindly dispense to the grass roots; Poland, Afghanistan and the Korean Boeing have done more to detach from the party free men of the working class tired of being taken as mental deficients than have the subterfuges of Francois Mitterrand.

These grass roots voters have not turned to the PS because none of the parties on the Left any longer put their hope in a better future. Not in the PCF because it lies to them about the reality of international communism, which they are big enough to perceive for themselves these days, nor in the PS because its "bourgeoise" management with neither growth nor prosperity seems to them to be the height of stupidity and the betrayal of the hopes of the union of the Left. Some (up to 3 percent), as Arlette Laguiller regretfully noted the evening of the elections, have added to Le Pen's score.

We can, therefore, conclude that the average PCF voter is floating or even purely and simply rejecting the stilted language of an apparatus that is using him abusively and rejecting the "bourgeois socialists" with the abstract phrases whose social and economic accomplishments are to all appearances worse than those of the disgraced Right. So it is Walesa, the Afghan commander Mazud and Andrei Sakharov who have contributed more toward the decline of the PCF at the polls than the Elysee and when the Socialists showed up to pocket the dividends it was already too late, the voters had taken off.

The voters are taking off: members are deserting the local and regional groups of the CGT. There has been a symphony of good-byes since 1978; members want to talk because they are asking themselves questions, such as why Marty and Tillon were persecuted and bullied, why the union of the Left was broken in 1977 and why, in 1984, it appears to be betrayed despite the fact that there are four communist ministers. They also want to know why L'HUMANITE found only 400,000 political prisoners in Vietnam when the humanitarian organizations quoted by LE PARISIEN say there are 800,000. Why, in the local groups, do they tell them that Walesa is a counterrevolutionary backed by the CIA when they instinctively know that they would be at his side at the Lenin Shipyard in Gdansk.

Members do not understand why the PCF is so quiet when the name Sakharov today means no more than a silenced reality oscillating between life and death in a physical and political coma decided by the Kremlin. And they are ashamed: ashamed to belong to a party which increasingly consists of lying and posturing. The voters and the members, who were cheated and deceived by the 1978 failure decided by the PCF in agreement with Moscow, are tired of being considered "useful idiots" by people who are not even as charming and subtle as the rogues in the Italian Communist Party but who are happy to inflict upon them by way of a sales pitch the difficult dialectic evolutions of the diplodocus of the class struggle.

But while the grass roots is talking and complaining the apparatus is acting. The voter decline is secondary in the eyes of those on Colonel-Fabien Place; it is the less important aspect of a basic contradiction. The important point is that the issue of the decline is a lure that will be used to amuse the middle class.

Making Georges Marchais out to be someone who has been purged but whose execution has been stayed, a yoyo that goes up and down depending on Rigout's or Fiterman's statement, is a way to gain time and, above all, to hide the real work that is going on within the iceberg. "The direction imposed by Moscow on the French communists," Philippe Robrieux opportunely pointed out to us, "is that of destabilization and finlandization in order to allow the Soviet Union, which supposedly embodies the aspirations and the goals of the worldwide working class, to advance everywhere and to gradually conquer the entire world while avoiding world war."

By means of this free present that President Mitterrand gave the PCF by appointing four communists to head key ministries, party activity is continuing in an area that is otherwise more important and widespread than the voting arena of the "bourgeoise" democracy. As shown in a remarkably well-documented book by Denis Jeambar*, the penetration and conquest of state power is an essential element of Leninist strategy which the PCF has never renounced and which remains the major element of the major contradiction. And in this area what has been gained in the form of irreversible conquest of strongholds is astounding: SNCF [French National Railroads] and EDF [French Electric Company] organization committees and financing of the PCF thanks to the massive substitution of aid from social works of public bodies and organizations because the party was temporarily deprived of its municipal resources by the election defeat. A conquest of strongholds and a wise placement of influential factors: in the media, thanks to Juquin, in the banks and especially within large administrative bodies: Braibant in the cabinet, Le Guen in the economic and social council, etc.

The third element in this participation/pressure, as Anicet Le Pors defined it, is the cooperation with the CGT, which will happen at the right moment. "The key phrase is: 'Cultivate the difference with the socialists,'" as Denis Jeambar wrote. "The roles are perfectly divided: on the one hand the CGT, and to a lesser degree the party, clearly illustrate the bad mood of workers, harass the government, strike blows and make different proposals be understood; on the other hand the ministers play the card of participation and want to establish the PC within the state." These gains and advances have been paid for by a temporary voter decline. Never mind! Paris is worth a little sacrifice, even the dignity of Georges Marchais, a sort of reprieved Waldeck-Rochet stretched out today on the Roumanian beaches.

A sick French Communist Party? Come on, it is fit as a fiddle.

9720 CSO:3519/416

^{* &}quot;The PC At Home," Calmann-Levy.

POLITICAL

BRIEFS

NEW AMBASSADORIAL CHANGES ANNOUNCED--Several changes in the Icelandic Foreign Service for the fall and early winter will be made, MORGUNBLADID has learned. The most important change is that Henrik Sv. Bjornsson, Iceland's ambassador to NATO in Brussels, will retire in the fall, as he will be 70 on 2 September. According to information received by MORGUNBLADID, the new permanent representative with NATO will be Tomas A. Tomasson, who is now ambassador in Paris. Replacing him will be Haraldur Kroyer, presently ambassador in Moscow. Pall Asgeir Tryggvason, ambassador in Oslo, is going to Moscow and his place will be taken by Niels P. Sigurdsson, who holds the rank of ambassador and for the last six months has been assigned in the Foreign Ministry in Iceland. [Text] [Reykjavik MORGUNBLADID in Icelandic 20 Jun 84 p 2]

cso: 3626/26

POLITICAL PORTUGAL

OPERATION FP-25 APRIL: COMMENTS, DOUBTS, CONTROVERSY

PCP Role Discussed

Lisbon O DIABO in Portuguese 26 Jun 84 p 2

[Commentary by Jose Miguel Judice: "Power of the PCP Is Demonstrated Here"]

[Text] The operation against the "Popular Forces of 25 April [FP-25], particularly the arrest of Otelo Saraiva de Carvalho, has raised and is raising some pertinent questions, aside from the existing consensus in Portuguese society, and especially in the political forces represented in the Assembly of the Republic, regarding the advantage and the necessity of destroying the networks of political terrorism.

As usual, the most relevant question—the one addressed in this text—is: Who will` benefit from the operation, the choice of the date and its results? The answer would shed some light on what may lie beyond the visible and the obvious.

The question is even more useful in that it has been asserted, particularly by the opposition on the Left, that it is the government which will benefit from the operation, the choice of the date and the results. This statement sets a trite and obvious conclusion (the elimination of terrorism is always applauded by public opinion and hence increases the popularity rating of governments) against other less obvious and even debatable conclusions (that it was to the government's interest to have the arrest of members of the FP-25 coincide with the debate on the submission of the Internal Security Law to a vote in the Assembly of the Republic, and that the government would benefit from the results of the operation).

Well, to me, nothing seems less certain. In the first place, let us examine the timing of the operation. I feel the best way to convince people that a new combination of legal mechanisms is needed to combat terrorism is certainly not to seize the terrorists without need of any such legislative approval, and particularly not at the moment when the debate on that legislation is beginning.

A Machievellian and unprincipled government would attempt, in full discussion in the assembly, to establish that FP-25 members had been active, so that their legal disarmament could be revealed in this way. It would not simply seize them, thus providing a strong argument for those who oppose the legislation. If the government acted in this way, it was without tactical acumen. The arrests

may move the voters, but it increased the doubts among the legislators of Sao Bento, and it is the latter who are really important in this case. In the second place, let us examine the results. This examination has particular reference to Otelo. The now lieutenant colonel is no longer what he was, as he proved in the 1980 presidential elections. Despite everything, however, he is a symbol of 25 April and—despite everything—one of its less repugnant symbols on the Left. He is a possible polarizer of radical discontent, certainly competing with the PCP [Portuguese Communist Party]. Finally, he is known for his hostility—even visceral—to the PCP and is also one of the rare figures on the extreme Left with whom Mario Soares feelsable to communicate and who in turn is able to talk with Mario Soares.

In a strategy to divide the political enemy, Otelo is more useful to the government if he is free and active than if he is imprisoned and turned into a myth which can be used to advantage by the Communists themselves.

If Otelo is found guilty of involvement with FP-25, his capacity for political intervention is gone for good. Finally, if Otelo cannot be so charged, the opprobrium for his then unjust and precipitous arrest will be turned on the government, especially among members of the Socialist electorate who are still moved by the old Otelo charisma. For these three reasons, Otelo's arrest will never be politically useful to the government.

In the third place, let us assume—a mere working hypothesis—that Portugal has no effective intelligence police and that the Judiciary Police do not have sufficient means to investigate relatively sophisticated networks like the FP-25, but that such a network has been uncovered, including safe houses for its operatives. If this were the case, people would certainly wonder how so much had been accomplished without foreign assistance.

Fourth—as a mere analytical deduction—let us say that the PCP believes, in the old tradition of the Third International, that it is intolerable to have organizations outside its control acting in its political, ideological or sociological area and that, for this reason, whenever they could, the communists have eliminated or helped to eliminate the extreme Left. And this has happened particularly when living conditions have been most critical, because there is a greater risk that the utopianism of the extremist groups will catch on.

Fifth, and finally, based on news reports, it is noted that no evidence whatever has been found of PCP involvement with the FP-25, although government circles have admitted of such a possibility more than once.

Reread, if you will, the five points I have made. Must it not be concluded that who could (or should) have aided in the destruction of the FP-25 was the PCP itself?

Police Chief Interviewed

Lisbon EXPRESSO in Portuguese 7 Jul 84 p 10

[Report on interview with Carlos Picioto, director of the Judiciary Police, by EXPRESSO, date and place not supplied]

[Excerpts] Discreet, cautious, almost shy. From his appearance it is not easy to see him as the highest official of the Judiciary Police [PJ]. Aged 37, with a medium build, Judge Carlos Picioto reminds us vaguely of our old religion and ethics professor.

We moved to the central topic of our conversation: the police operation against the FP-25. Picoito defended the timeliness of the operation.

"For many long months, or even years, the PJ has been gathering information regarding the FP 25, an organization that qualifies as terrorist under the terms of the Penal Code. When the robbery of the 108,000 contos occurred, the police were alerted: by the size of the robbery, we formed the opinion that there would be a significant upsurge in the activities of the organization. And we were right, as evidenced by the Sao Mansos attack and others which followed it."

The PJ director gave a brief outline of the attacks attributed to the FP-25.

"Well, the PJ never thought it would be possible to end terrorism in Portugal in 24 hours. But in proceeding with the operation, we have had to weigh various factors, such as the real possibility of new terrorist attacks. I do not hide the fact that if we had waited a little longer, we would have had other chances. We might even have been able to request more arrest orders. But we had to make a choice and I think we chose well."

The "choice," Carlos Picoito told us, was at the "discretion of the Judiciary Police." It was the Crisis Office that decided to proceed with the operation, recommending that the police launch it within 48 hours, but it was up to the PJ to set the date, informing the minister of justice the evening before.

FP-25 Ties

Some call it a success; some do not hesitate to describe this PJ offensive as a "resounding flop." Carlos Picoito does not seem to be impressed with either observation. He says simply:

"It was neither I nor the police who began to talk about success or about any spectacular operation, The offensive was planned, in general terms, a month before the date set and was specificallyprogrammed only 48 hours prior to launching. Regarding the results, I consider them quite satisfactory. It achieved the objectives of surprise, and the planned arrests were almost all executed. Incidentally, it should be stressed that the police only moved in when it was technically feasible to do so."

However, none of the "older elements" (as Picoito called them) was picked up in the operation. The PJ director is the first to admit this. On the other side of the coin, we asked, wasn't it possible that some innocent people were arrested?

"According to my information, all the people arrested currently have ties with the FP-25."

Including Otelo? There are those who said he was arrested on the basis of old charges, from 1980. Carlos Picoito limited himself to emphasizing: "all the individuals who were arrested," and refused to comment further. "I am not involved in the process. But I trust our agents. I have absolute trust in the actions of the PJ."

We insisted on specific indictments, on some evidence, but our speaker defended himself, pleading the confidentiality of justice.

"The evidence will not and cannot be made public. Only in court. But I can assure you that the PJ has specific criminal information and did not base its actions on a theoretical abstract exercise. The indictments we have are real. Now the finding of suspicion must be transformed into the finding of probability."

The fact that the operation was directed against headquarters of the FUP [United Popular Front], which led to protests that it was an attack againt a legal party, apparently did not concern the PJ director either.

"The operation," he said, "was not planned against the FUP. The police went to the FUP headquarters because members of the FP-25 were there."

Our questions were forming a disconnected "puzzle." And they were not always successful. For example, the one about the number of activists in the FP-25, as estimated by the police, which the PJ director refused to divulge. "It is a matter of judicial secrecy." He did agree to say there were "fewer than 200."

There was talk of one injury among those arrested, and Picoito immediately confirmed it: "Yes, it was in a traffic accident while they were being transported to Caxias. Incidentally, a PJ agent was also injured."

Regarding the press conference given by FP-25 on the Costa da Caparica, Carlos Picoito said he was "concerned," but he did not give it "undue importance. It could be evidence of vitality or of weakness. Only time will tell..."

He ruled out the possibility of a hoax, unlike other actions or statements attributed to the FP-25, such as the interview signed by Manuel Julio Pereira or the attack on Vilamoura. "The terminology used in the communique claiming responsibility for that attack was not the usual terminology of the FP-25. We have always said this. Regarding the interview, it also used different terminology, so we have some doubts about its authenticity."

Time To Curb Criminality

"Terrorism must be viewed very calmly and from the government's point of view," said Carlos Picoito, who complained of the "lack of means and even men" in the combat against crime. "The state of Portugal is truly disarmed," he declared. He is convinced, however, that with more means made available to the police, "there is still time to bring crime under control in Portugal."

He is not an "unreserved" defender of the Security Law (although he had a hand in drafting the bill), but he also said that "some measures contained in it are essential."

A final question: Were the reporters who talked about failure correct? Carlos Picoito smiled.

"We would like them to be greatly disillusioned. Incidentally, we are doing everything possible to see that they are."

If the reporters are right, however, does the PJ director fear for his job? Carlos Picoito, who has already admitted the possibility of reprisals by the FP-25 operatives, seemed less concerned about "reprisals" by the government.

"I may be threatened and my job may be imperiled. But this is the risk I run."

Pereira FP-25 April Interview

Lisbon SEMANARIO in Portuguese 9 Jun 84 pp 32, 24

["Verbatim" transcription of interview with FP-25 operative, by Manuel Julio Pereira, in April 1984, place unknown to interviewer]

[Text] An interview with an "operative" of the FP-25 April is an acknowledged risk. We are not talking about the possible unwillingness of some readers to accept the reality of a revolution that they could not foresee, prevent or even interrupt. We are talking about the dialectic of provocation which characterizes the current political period and, above all, about protagonists who use terror as a tool. But there are still other questions, such as why journalist Manuel Julio Pereira, a contributor to this newspaper, was privileged with this interview—in a style that combines romanticism and clarity—which reaches our hands at a particularly tense moment in Portugal's political life. That it is simply FP-25 April propaganda would be the prime theory. It is not ours. Something seems to be developing within this terrorist group.

An operative of the Popular Forces of 25 April has spoken to our newspaper. It was a long, complicated effort, with its elements of oddity, "suspense" and theater.

I chased down this interview 2 months ago, despite my doubts, as a citizen, about publicizing the activities of an organization like the one which I was to gain partial knowledge of, through the deposition of one of its members.

The meeting and the interview complied with some requests which, naturally, I will not divulge. Some episodes, about which I made no promises of secrecy, I feel it is essential to reveal, for two simple reasons: for the credibility that I would like to maintain with this article, and because the nature of my contact and the behavior of the individuals who made it possible gave me

powerful reason to believe that the "FP-25 April" has undeniable support: and influence, although I also got the general impression that there was considerable naivete there. More: even today, I find it almost unbelievable that the FP-25, as a terrorist organization, has not been dismantled by the action of our (various) police forces.

The go-betweens who arranged the interview engaged in their own investigation (espionage) for several weeks and, I gather, obtained assurance that the newsman simply wanted to be informed and was not "involved with the police." They later explained to me that they did this to be certain; that it was simply their method. They have others: "If the gentleman gives out information dangerous to us, he knows that we know him and that we know where he lives," they warned me, more than once, without any particular scruples. To follow my steps and to strengthen the guarantees, they made four dates, day and hour, and cancelled them four times. Finally, when I was beginning to give up on the whole idea, the date for the interview was--within the space of a few hours--set and kept.

It was a sunny Wednesday morning. They imposed a bizarre itinerary, somewhere in the south, filled with meetings and rendezvous, confirmations and switchbacks, changes of vehicle, some counsel about navigation. The men who took me to the middle of a populous municipality were all young; they took turns; they wore blue jeans; they were determined and incredibly open. It was suggested that I be friendly with anyonewe met. Near a neighborhood cafe, one of them greeted a group of young people, boys and girls, about 20 years old. Their faces were uncovered. They did not appear to be armed—their clothes were tight—fitting and even a small weapon would have been noticeable. "We have clandestine political activity, imposed by our struggle, but we are not outlaws, we are not even clandestine. True, some of our comrades are being sought by the police, and they are in hiding," they told me.

Finally I was shut up in the van of a commercial-type truck, where I could not see what was going on outside. Two fellows kept me company in the van. They searched me as the van was moving, and I was relieved of my watch. They offered me cigarettes. They told me we were going "about 200 kilometers," but that, in any event, they were going to hold me for 1 or 2 days for security reasons. If we were stopped for some routine police check, I was to go along with the lie they had prepared: I was a hitch-hiker; I had asked them for a lift. They warned me firmly that if we were stopped and if they found out that the police check was a trap arranged by me, or if I "blew it" during the "auto-stop," I would be killed. They would fire on the guards. "You will not escape."

For the first time, I saw weapons, which appeared to be machineguns of the Portuguese G3 type. The two young men, who observed my movements and studied my reactions, talked freely during the trip (long, long...). They laughed uproariously. I discerned neither fear nor resentment in their almost beardless faces. It began to seem to me like a healthy adolescent escapade. They maligned the newspaper I write for. They ascertained that a certain television program would be on "today." They never talked politics, although from time to time they took it upon themselves to repeat the warnings and cautions—or threats.

Finally, the interview. They had told me earlier that I could not tape the interview or take photographs. The interviewee would not show his face and would only talk on condition, extended to the intermediaries, that "not one word of the final text of the interview could suggest anything from which a picture could be drawn of the individuals who collaborated in it."

I did not know precisely where I was. I had the vague impression that I could be in the basement, the ground floor or the first floor of a modest house. I did not go up any steps. I noted that I went down four steps. I went almost directly from the rear door of the truck to what appeared to be the back of an old building. I was in a small room. The walls were almost bare. There was a symbol of the "FP-25" behind a wooden table with three chairs around it. I sat on an old sofa, green with age, facing the table. I barely had time to take in the dim surroundings. Within seconds, a thin man, his face covered, seated himself in front of me and carefuly set down a weapon on the right side of the table. His voice was youthful and he spoke deliberately slowly. He rarely raised his voice during the conversation, which was transcribed word for word and then approved. When he became heated, he took care to sugarcoat the pill with artificially disarming laughter, certainly intended to reflect a deep disdain at being honored by the lowly journalist in the service of a newspaper of the "bosses, and of reaction."

The interview began with two points previously established: it would not last more than an hour, alhough it could be over at any minute; and another point which the reader will see for himself in the first words of the interview which follows, the transcript of which makes adjectives useless and commentary unneccessary.

FP-25: This meeting should not be considered as a formal interview. My organization is not in the habit of granting interviews because the class struggle forces us to conduct our struggle and our activity in secret.

SEMANARIO: Is this the same as saying that you are speaking without the know-ledge of your organization?

FP-25: As a revolutionary, I would never do anything without the knowledge of my organization.

SEMANARIO: The members engage in intimidation and terror. They are terrorists. Do you agree?

FP-25: No, I don't agree. Terror is what thousands of Portuguese workers are experiencing under the brutal rule of the capitalist system. We are not engaged in terrorism; we are combating the terror!

SEMANARIO: But you are killing people, firing on innocent people, planting bombs, making anonymous phone calls.

FP-25: Innocent people? Some of the most ferocious apologists and lackeys of the capitalist system?

SEMANARIO: Your members recently killed a child in Sao Mancos, in the Alentejo.

FP-25: That is false, false! We love children; we are fighting for their future. Don't you understand this yet?

SEMANARIO: I had not perceived this. But I know that you passed out leaflets after the murder of a 3-month-old baby. I saw it; I was there.

FP-25: We distributed communiques, true. But we never killed any child.

SEMANARIO: Can I infer that the child was the victim of an operational error?

FP-25: This is a newspaper interview; it is not a police interrogation.

SEMANARIO: Let's change the subject. Ideologically, what does the FP-25 April stand for?

FP-25: We are a revolutionary organization in the service of the labor class, the peasants, the workers in general, but primarily the exploited and degraded people of this country.

SEMANARIO: So you are communists? Marxist-Leninists?

FP-25: We are revolutionaries.

SEMANARIO: The Portuguese Communist Party [PCP] vehemently accuses you of being a gang in the service of the Right, although your language is of the radical Left.

FP-25: The PCP knows it is telling a lie as big as its main headquarters, and it knows that at any moment it could be confronted with reality. The communists respond by what they say and not by what they do for the class they claim to defend; we answer by what we do.

SEMANARIO: But the workers, whose interests you claim to defend, vehemently repudiate your actions.

FP-25: You are lying. This is not true. Do not confuse the communiques with the deeper sentiments of the workers. If you have any love for your profession, go listen to the workers. Show us just one who does not rejoice in our action, someone who might not perhaps be a member of our organization. Just one who tells you this who is speaking for himself. Just one! Ask the 700 workers at Gelmar, laid off and sent packing, what they think about us after we eliminated the fink Canha e Sa.

SEMANARIO: You cannot escape the label of a simple terrorist gang acting with impunity, or near-impunity.

FP-25: Listen, do you think that a gang, as you call it, a gang of outlaws, as you suggest, could have the success we have? If we were not established, and firmly established, do you think we would be successful?

SEMANARIO: And the methods? The terror? The murders?

FP-25: Today in Portugal, men are received with state honors, because they are in fact chiefs of state, men and organizations who, a short time ago, were called terrorist, like the PAIGC [African Independence Party of Guinea-Bissau and Cape Verde] and the PLO.

SEMANARIO: Don't confuse them and don't cloud the issue. You are making a false analogy. Those organizations were facing societies which were governed by despots who did not consult them and in which freedom was suppressed. Moreover, while their struggle was sustained by guerrilla action, they had regular troops, and although they favored zones where they felt more at home, in the countryside, they did not practice urban terrorism.

Besides, today they are out in the daylight, assuming responsibilities in their countries.

FP-25: I know I will do the same.

SEMANARIO: Meanwhile...

FP-25: Meanwhile, the struggle continues. We are giving up the best days of our lives for a just cause, and we will triumph.

SEMANARIO: You act with a certain amount of impunity and have accomplices at various levels. Some people say you have informers in the police.

FP-25: Complicity, no! Solidarity, yes! If it were not for the support which we receive from the exploited, we would have been liquidated already.

SEMANARIO: Support inside the police, too? And in the government apparatus in general?

FP-25: This is not a question. It is meddling and provocation!

SEMANARIO: I am a reporter and it is up to me to select the questions according to my criteria.

FP-25: And I answer according to my criteria, fathead!

SEMANARIO: Aren't you afraid that, in a democratic society, your criminal activity is becoming more and more unpopular?

FP-25: Criminal, criminal! Criminal according to the code and the laws of those who draft them precisely because they are in the front line of the most brutal exploitation of men by men. As for our popularity, we are not movie stars. But if you want to know, ask the jobless in Lisbon, ask those who are starving in Setubal and thee who are seeing their land taken away from them in Alentejo. Ask them what they say. Why don't you go there and why don't you write that in your newspaper? Why?!

SEMANARIO: But in Setubal, which you just mentioned, Bishop Manuel Martins is acting, with some cooperation from the unions, to find a peaceful solution to the hunger problem. It may be a debatable solution, but if it is successful,

all the more with the recent creation of a ministerial team to control the situation, you will be isolated.

FP-25: This collusion, in this district, is being endorsed by the CIA. There are those who want, at all cost, to prevent a powder keg from exploding at any moment.

SEMANARIO: I never heard anyone say that Bishop Manuel Martins belonged to the CIA!

FP25: If he isn't, he follows its orders.

SEMANARIO: But the CGTP [General Federation of Portuguese Workers] and the PCP look favorably on the Church's position in this district.

FP-25: Who told you the PCP does not have CIA people in it?

SEMANARIO: You are well informed....

FP-25: We have no official ties with the PCP, but we have contacts with people in the PCP, including officials. With the workers. I don't need to repeat, many of them are already aware that the PCP does not have suitable leadership. The capitulation and betrayal cannot go on. The workers already perceive that the grand offensive of the Right and of fascism cannot be countered with street barricades and slogans. It is time we showed the lackeys of the Right, of capitalism, of neofascism, that the revolutionaries are out there and the working class is not standing around with its arms folded.

SEMANARIO: What was you last occupation? Were you an industrial worker? Are you an industrial worker?

FP-25: I won't answer that. Anyway, your question shows an ignorance of the dynamic of the class struggle and the system of alliances with which it is usually associated.

SEMANARIO: You mentioned contacts with people in the PCP. No one has ever proved such connections; the Portuguese Communists disavow you.

FP-25: We do not take advantage of the frustrations of the workers.

SEMANARIO: Excuse me, but you didn't address my statement!

FP-25: Regarding the PCP. But do you think we don't know how to recognize our enemies?

SEMANARIO: Your enemies have been shot, killed. Are you referring to them?

FP-25: Partly, but not entirely. The situation in Portugal is clearly linked to the advance of U.S. imperialism, to the acts of aggression and invasion against free peoples.

Unfortunately, there are still people who represent this scum in our country.

SEMANARIO: When they began their activity, the "Popular Forces of 25 April" concentrated on bank robberies, declaring they had no wish to kill anyone. It seems the strategy has changed, hasn't it?

FP-25: We never robbed banks.

SEMANARIO: How's that? Then the 108,000 contos...

FP-25: That was not robbery. Robbery is what the bourgeois forces commit every day against the small savings banks and the workers' pocketbooks.

SEMANARIO: Then what do you call what you did?

FP-25: We expropriated property in the service of the bourgeoisie, to be used in the service of the working class.

SEMANARIO: But are you going to give an accounting of this money to what you call the working class?

FP-25: We are.

SEMANARIO: May I ask how?

FP-25: You didn't really expect me to answer that, did you?

SEMANARIO: I didn't, but I would like you to.

FP-25: Why does that interest you so much?

SEMANARIO: Because robbery is robbery! Because we do not live in a Marxist-Leninist state or in a state of revolution. What's more, because some revolutionaries who committed acts like yours before 25 April, also in the name of the people, are bragging today in Lisbon pubs about the easy life they led on the money they got from the robberies, in Edens thatthey impudently refer to as "exile." Note that I am not referring to the real exiles, those who actually suffered the consequences when the old regime was in power. Do you see why the subject interests me? I was remembering those days as I asked you...

FP-25: I have already told you, we will give an accounting.

SEMANARIO: Of the money you robbed, if I understand you correctly. And the lives you have taken?

FP-25: The gangsters who carry out the fascist and capitalist policy in Portugal are not really alive. What appears to be alive is simply a corpse, animated by a soul in which the blood of innocent victims, of honorable men, is flowing.

SEMANARIO: You cannot philosophize about an issue which only countries ruled by dictatorships do not consider viable: life. Or rather, you are defending this philosophy because it justifies the actions of your organization. The truth is that the former administrator of Gelmar, whom you murdered, had a real life, which you illegitimately cut down, if anyone can be said to have a legitimate right to take a life. You are killers!

FP-25: What disappeared was not a living thing; it was an animated corpse!

SEMANARIO: That's really good!

FP-25: Make a joke of it! Go on!! You will never understand. You work for a reactionary newspaper, and reactionaries never understand that they have no identity; they have no country. Reactionaries are identity cards; they are not human beings.

SEMANARIO: From the sound of it, I am in some danger.

FP-25: No, you're not. Go in peace. Your interview is over.

Terrorists' Weakness Revealed

Lisbon O DIABO in Portuguese 3 Jul 84 pp 6,7

[Article by Noe Rodrigues: "Caparica Scene Reveals Weakness of FP-25"]

[Text] In less than a week, there has been corroboration both of the analysis which we presented here in the last edition and of the data to which we referred. If the terrorist organization FP-25 April is stripped of the phony romanticism which some people would like to give it, all its acts are predictable within a destabilizing logic (that of the FP-25's), without any mystery. It should be said that this terrorism which is on the loose out there is not stirring up any passion because it is ineffective, because it is weak and cowardly, it is without daring; it is shipping water up to the quarterdeck in a demonstration of amateurism that is laughable by all standards of military theory and practice.

The "press conference" that two alleged leaders of the FP-25 gave on a Caparica beach last week--if it really happened the way some say--made it clear that the the FP-25's sacrifice the most elementary rules of security for a propaganda play. But it also showed that they are poorly led, if not disorganized, that their alleged leaders put more trust in weather bulletins (prepared with the assistance of the "imperialist" U.S. satellites) or even in the reach of the waves, than in the intelligence of our political analysts. It was also evident that there are newsmen who are not up to the roles they would like to play at; they are big hams.

Item by item. Two alleged leaders of the FP called a press conference (it was known they were going to give it—we ourselves mentioned it). These are

the same alleged leaders who made contact with the journalist (see the "marvelous" piece by Beca Murias in O JORNAL); it was one of them who waited for the journalists. These leaders appeared without an army, without security, without a cover. They stated candidly that there were 30 activists (a "confession" without any interrogation), but this handful, so isolated that they have to be their own leaders, declared on establishing contact that they had good protective cover on a beach that must necessarily be patrolled at this time, particularly because it is one of the zones that is listed for police vigilance (there are many). As early as 1974/1975, the PRP [Revolutionary Party of the Proletariat] had a firing range there.

This is surrealistic. The homespun "brigadistas" show the most "touching conspiratorial naivete." They presented themselves with their faces uncovered; they offered "categorical" proof (what proof we don't know because these newsmen did not reveal it, so as not to breach the security of the interview), in the conviction that the interviewers would be able to resist a police interrogation that might go beyond legal standards (in the end, they trust in the mildness of police methods). What will the other clandestine "brigadistas" have to say when they find out that their own leaders have risked their necks by violating the rules of security?

The "journalists" also demonstrate "touching naivete." They describe their interviewees as "leaders of the FP." They had "proof" that they were active members of the terrorist organization, but did they show any evidence of being "leaders"? Moreover, what "new" material was revealed in this "press conference" to make the journalists leap for joy at the "scoop" they had obtained. Examining what they have published, we discover that they did not say anything new. The interviewees revealed that they had few ideas. The interview was pure propaganda, and the little that did come out of it leads to conclusions that do not speak well for the FP's or the journalists who were turned into propagandists (we do not wish to go so far as to call them voluntary and knowing propagandists).

FP in Trouble

The lack of security, the breach of conspiratorial standards (and this at a difficult time for the terrorists) can only mean that the FP's are breaking down as an organization. They needed a publicity coup to assert that they are still active and to inform their scattered members. This is explicit in the journalists' article. The "brigadistas" must be grateful to the press.

In any event, if the FP's were in good shape, there would be other ways of showing they were alive and kicking, from the propaganda bombs (which they have already used) to any other violent acts. However, they resorted to the simplest and least spectacular tool available to them, for the simple reason that, at the moment, they are incapable of anything more. Even what they did, which was indicative of their theatrical talents, was done in a way that would make them even more visible to the police authorities. To call this audacity, competence or strength is to dream of unicorns. The Caparica affair made it clear that the FP can be completely dismantled, and that it can happen at any moment.

The alleged brigade leaders are aware of this weakness. They said they "did not want to attack the government apparatus," for perhaps several reasons.

In the first place, because they can't: the terrorist apparat suffered a blow. It is wounded.

Here again, the press conference is confirmed as a public declaration of "Touche."

In the second place, because an attack against the state apparatus implies a risk that these pretend romantics are not prepared to assume; it is easier to assassinate defenseless individuals and those who are not key figures in the state apparatus. It was the government which shut down Gelmar, but it was a manager who was slain; it is the government which is attacking the PC estates in Alentejo, but it was a child in Sao Mancos who was killed by the murderous bomb. All the rest of the assassinations have had the same logic. It is the logic of these whorehouse revolutionaries, whom some journalists, in their leftist neurosis, squint at and see "romantic brigadistas," the way a matron squints at rutting animals.

But a third reason could be pointed out for this astonishing confession of two "revolutionaries" who, in principle, want to take power without affronting the seat of power. It is that they are relying on "class solidarity," the solidarity of the political class in time of need, as already happened during the hunger strikes of Isabel do Carmos, of Carlos Antunes, of Amilcar Romano. They hope that some deputies will come to their defense, that ministers will succumb to their humanist pretensions (humanism with an inhuman countenance, inasmuch as it ignores the victims, the dead, the murdered, their relatives). They expect Eanes and his counselors to move heaven and earth to see that the prison doors are opened. For this reason, the state apparatus cannot—must not—be attacked.

No Victory Song

By what can be ascertained from the precious press conference and confirmed by other data, the FP's have been weakened, severely weakened, not only because some mid-level cadres were arrested, because their support has fallen off, because their legal front has been challenged, but, above all, because the police authorities have finally dared to face up to them, causing the distress that has always been a sign of "primitive innocence." They have lost their impunity. From now on, the would-be revolutionaries will be aware that, in the end, this business is painful for them as well. For this reason, if for no other, we must applaud the decision of Rio Machete and the authorities to risk taking the bull by the horns.

There are other indications that the terrorist apparat has been weakened and is now generally disorganized. It was not the police—contrary to what the "conferees" said—who made the contact proposing the release of 30 FP's in exchange for Otelo. The contact was not invented, sources that we know to be absolutely reliable have assured us. It was a sector of the FP which took this initiative, a sector in which defeatism—or realism—recently took over. We cannot say the same about the anonymous threats telephoned to the Efe Agency [Spanish press association]; in this case it is assumed that some other force involved with destabilization promoted this telephone call, with the twin purpose of creating alarm and egging on the pursuit of the FP's.

This hypothesis gives rise to the question: Who is interested in the activity of the FP's? Who is interested in their elimination? The strategy of a certain segment of the Left, namely the PCP, has to be given consideration here. But the "brigadistas" cannot complain that the "anonymous" callers are using them; this is the consequence of their own anonymity, this is the price. Incidentally, if it is true, as they declare, that they are not involved in as many robberies and murders as have been imputed to them, up to now they have taken advantage of this aberrant behavior to lend prestige to their terrorist organization. They did not protest or issue denials. Belatedly, they have issued denials, in an attempt to curb internal criticism and, for the moment at least, to present themselves as "good guys."

From what we know of the FP's and their current situation, we are not prepared to believe that the attack on a bank in Fuzeta last week was their doing, but it is obviously to the FP's interest to have the attack imputed to them, and it is not surprising that they have begun to claim responsibility for some acts that other fringe elements have committed. It helps to build the image of "invulnerability."

In fact, it is not important whether the FP's are responsible for all the crimes committed out there. They claim authorship of some attacks and murders, and this is enough. They assume the right to rob, pillage, kill—and this is enough. Since they hide behind anonymity, we have only their word, as murderers and thieves, as to which murders and robberies are theirs and which are not. They will not be any more or less criminal as a function of this accounting. It is just as serious to kill 5 people as 10, to rob 3 banks or 6.

The "brigadists" are criminals, without daring, without romanticism, who are still at large. Their leading operatives have not been arrested. They still have fire power. The police must wake up and the Portuguese (particularly the politicians) must have the firmness, the honesty, the patriotism and the wisdom to disregard the crocodile tears, a tactic meant, in the final analysis, to hamper the police action.

Complexes on the Right

It was to be expected that a certain segment of the Left (well-meaning or ill-intentioned) would be moved to tears by the arrest of the "terrorists" and some of their accomplices and tools. What surprised us was that a certain segment of the Right also reacted negatively, entering the public debate with an argument that is strange, to say the least.

According to this segment of the Right, the repression of the FP's was instigated and orchestrated by the PCP. Otelo is a danger to the PCP/Eanes on the eve of the presidential race. A trap was set for the government and for Mario Soares and, poor things, they were caught in it. This whole theory is weird, because:

--Assuming that the PCP is behind the arrests, that the PCP provided the information leading to the arrests (we will even concede this, to soothe the spirits of this segment of the Right), we would always have had the necessary repression of the terrorist band--just and proper repression, since it would be conducted legally. No on would shed a tear over this. At most, one could criticize

the suitability of the operation, in terms of the effective dismantling of the terrorists and of the arrests that were made, but there should be no criticism of the police action per se, at the risk of indirectly endorsing the banditry.

Moreover, to attribute the authorship of the repression to the PCP is doubly to play the PCP's game: it gives the PCP the antiterrorist respectability that it lacks; and it gives the PCP the argument that the terrorist bands are really nothing more than anti-PCP provocateurs in the service of the Right.

In the third place, it also plays into the PCP's hands to cast doubt on the competence of the police, in this specific case, creating a lack of confidence in the operation, deflating it, creating an image in the public mind that it is a pointless repression of poor "puppets." It benefits the propaganda of the "brigadistas" and gives the PCP the strong argument that it was all a big charade. If the PCP is really behind the arrests, the PCP gains on several counts from this type of reaction: it gets rid of inconvenient parties and, at the same time, seriously weakens the police as an instrument of the principle of authority, which is always a threat to those who are working at destabilization.

Fourth, the reasoning of this argument of the Right conceals a flaw. Otelo, it holds, could be—is—a weapon against the PCP. Except that he is not and was not. The whole history of 1975 shows that, with more or less rebellion, Otelo was a useful tool of the Communists, because he was blind, because he was stupid, because he played into the hands of Cunhal's party. Moreover, in a political democracy, Otelo could never be a weapon to brandish against the communist apparat. It would be like betting on a blind, lame, toothless mule against a fiery steed, bred to race.

There is a characteristic flaw in the reaction of this well-thinking, neurotic Right: a fearful anticommunism that, because it is so obviously exaggerated, becomes a tool of the very Communists it claims to attack.

To combat this situation, it would require the government and its police--at a suitable time but without damaging the investigation in progress--to release the results of the police roundup, without providing the weapons that would permit the exploitation of the judicial system on behalf of the terrorists.

And the PCP?

The police operation left the Communists unscathed, which should disappoint some people, beginning with the prime minister. It is no surprise to us that it happened this way, for the simple reason that, knowing the PCP as we do, it is difficult to believe that any tie between the Communist apparat and the "brigadistas" would be direct and inside the country. The Communists have never fallen into this trap; the hermetic insulation of organizations is an inviolable principle in PCP theory and in its methods.

This is not to say that the FP strategy does not link up with the strategy of the PCP. On the contrary. But one must look elsewhere for this coordination—in Libya, for example, in the ties between Qadhafi and the Kremlin, in an overall and global strategy. When Mouta Liz (with whom an "interview was published

which we believe was a complete fabrication, from the first to the last line) is arrested, perhaps some of this Libyan connection will be made clear.

Meanwhile, the PCP isbeing quiet and close-mouthed. It has the FP's momentarily immobilized, in a phase of being hunted down (which, for us, is cause for jubilation); it has the well-intentioned Left doing its propaganda for it and serving it in this operation, casting suspicion on the police, the government and the Right; and it has a certain segment of the Right unexpectedly getting under the feet of the police and the government and providing the PCP with useful arguments.

Cunhal is a happy man. He has never laughed so hard at the well-intentioned. He is rubbing his hands with contentment.

Police Surveillance

Lisbon DIARIO DE LISBOA in Portuguese 30 Jun 84 p 20

[Text] The Office of the Prime Minister will not confirm that the authorities maintained air surveillance over the press conference held by members of the Popular Forces of 25 April at a beach on the Costa Caparica. Moreover, according to reliable information, the only reason the special intervention forces did not act was to avoid alarming and inconveniencing the Portuguese and foreign sunbathers.

Surprising Audacity

Lisbon O DIABO in Portuguese 3 Jul 84 p 24

[Text] Everyone has certainly noticed the surprising "audacity" of the terrorists in appearing with their faces uncovered. Astonishing audacity, in fact. It is common knowledge that in any clandestine organization like the FP-25 security even requires that most of the members do not know the identity of the rest.

Well, when we consider that the bare-faced interviewees were not just members, but "leaders," and that the "conversation" in that location could have been interrupted by any individual who knew the reporters or the terrorists, the astonishment is even greater.

You can draw your own conclusions about their intelligence.

Machinegun Attack

Lisbon DIARIO DE NOTICIAS in Portuguese 5 Jul 84 p 16

[Text] Barcelinhos--Rounds from an automatic weapon were fired at the GNR [Republican National Guard] post of Barcelos, in the parish of Barcelinhos. The attackers were riding in an automobile and sped off after the attack.

Following the shooting, which occurred at about 0200 hours, the men assigned to the post took steps to ascertain who had fired the shots, but they were not successful. It is known that 24 shots were fired from a 9mm automatic weapon. The Judiciary Police are investigating the case.

Bomb Explosion

Lisbon DIARIO DE NOTICIAS in Portuguese 5 Jul 84 p 16

[Text] A low-potency bomb exploded yesterday morning next to the residence of industrialist Manuel da Silva Liquito, in the parish of Mazarefes, near Viana do Castelo. No one was killed, but the bomb caused material damage not only to the house which was the target but to other neighboring houses.

Manuel da Silva Liquito, owner of a tile factory in Barcelos, was hit by slivers of flying glass, which caused some minor wounds.

Asked about motives for the attack, the industrialist, who has served as president of the Parish Board, said he had no labor problems at his plant, but he admitted there had been a dispute with a sports team and wih residents of Barcelos, who complained about the passage of trucks delivering clay to his factory.

Detained Suspect Released

Lisbon DIARIO DE NOTICIAS in Portuguese 5 Jul 84 p 15

[Text] One of the 42 people arrested by the Judiciary Police in the operation against FP-25, and who have been held incommunicado by order of the Fourth Court of Criminal Justice in Lisbon, was released yesterday. DIARIO DE NOTICIAS has learned from a reliable source that Antonio Manuel Pinto Guerra was released for lack of sufficient evidence to bring an indictment.

DIARIO DE NOTICIAS further learned that, for the same reason, it is quite probable that other detainees will be released today. Moreover, considering that the 20-day period in which the detainees may be held incommunicado will end at the beginning of next week, this newspaper is in a position to add that more releases can be expected.

According to the same source, once this first phase has expired for bringing indictments, it is natural that other individuals will be released for "lack of sufficient evidence." If this occurs, it will be confirmed that the PJ was not able to present sufficient evidence to warrant holding the prisoners under preventive arrest. Meanwhile, we have learned that some inquests have been postponed, thus delaying possible releases.

DIARIO DE NOTICIAS also learned from the General Directorate of Prison Services that some people arrested in "Operation FP-25," who had declared a hunger strike, ended that strike yesterday.

Two More Attacks

In a telephone call to Radio Comercial, the FP-25 claimed authorship of two attacks yesterday in the north of the country (reported in detail on page 16). The first occurred at the GNR post in Barcelos, with shots fired at the installation; the second was the detonation of a bomb outside the home of an industrialist in Mazarefes, near Viana do Castelo.

A GNR source feels, however, that the two attacks are the result of a local problem related to [truck] deliveries of clay; for this reason, he does not accept the FP-25 claims.

Released Suspect Comments

Lisbon DIARIO DE NOTICIAS in Portuguese 6 Jul 84 p 17

[Excerpts] "Now that I have been released, it still seems to me that everything that happened was a big farce. The court seized on a pretext to pick up guys who had nothing to do with anything and tried to tie them to Otelo," DIARIO DE NOTICIAS was told by Antonio Pinto Guerra, one of the 42 people arrested by the Judiciary Police in the operation against FP-25 April and the first to be released for "lack of sufficient evidence" during the preliminary inquest.

Yesterday in Evora, 36 hours after his release, Antonio Pinto Guerra granted a brief interview to this newspaper, decribing some details of this "sad story that would better be forgotten."

Guerra is a pipe fitter by profession, a self-employed subcontractor who has a family in Evora. He told us that he had actually been a member and sympathizer of the PRP [Revolutionary Party of the Proletariat], but that he had dropped out of the party several years ago and was not engaged in any political activity whatever.

Guerra, who has a criminal record, said he had been in prison for 3 months some time in 1976 on a "weapons charge," but "this had nothing to do with the so-called PRP case." It happened that he was tried and found innocent by the court. Aside from that, he told us about some "craziness" in his youth, when he was 17; he was "messing around" with automobiles.

Antonio Guerra said that during the automobile trip to Lisbon [following his arrest], "the police tried to bribe me. They slapped me around a little and said that if I revealed some names, maybe nothing would happen to me. I didn't go along with them, naturally, and the fact is that they didn't treat me badly; they treated me like policemen."

On Wednesday, 20 June, Guerra was alone in a cell, and on Thursday he was moved to another cell with five other individuals. He was held there for the 14 days he remained in Gomes Freira. His cell mates, he told us, were Fernando Ramalho, a Porto banker; Ilidio Galinho, the owner of a fishing boat on the Costa de Caparica; Jose Manuel Vargas, a bakery distributor in Torrao (Alentejo); Antonio Colaco Rosa, an employee of the EDP [Portuguese Electric Power Company] in Sesimbra; and Fernando de Almeida, a metalworker in Cova da Piedade.

"I had not known any of these guys; I don't know if they were PRP members. I know they all had jobs and, from the time we spent together incommunicado, it was clear to me that they had no connection with the FP-25 or with Otelo. However, since [the police] had asked Fernando Almeida and Ilidio Galinho if they knew a man named Barradas, whom they knew from Costa de Caparica, we suspected that he was the person who had supplied our names. Names from 8 years back—which is demonstrated by the fact that the police went looking for me at my wife's house and I have not lived there for almost 6 years!"

Antonio Guerra said that none of them was questioned after the initial interrogation and that, after 8 days of detention, he was taken to an identification room, "where I was told I was going to be identified by a guy who had turned me in. I was there 5 minutes; they observed me from behind a mirror and said nothing more to me."

Finally, on Tuesday afternoon, he was called before the judge of the Fourth Criminal Court, who simply issued a release order, claiming "insufficient evidence," and noted that Guerra might be called on again to make further statements.

Meanwhile, we have learned from a police source that it is not expected that any more individuals arrested in the FP-25 operation will be released for the time being. For his part, Minister Rui Machete said that the PJ had achieved their objectives, and a source linked to the investigation said that the "brains" of the FP-25 are in prison, although most of its operatives are still at large.

Otelo's Situation

Lisbon DIARIO DE NOTICIAS in Portuguese 8 Jul 84 p 2

[Article by Oscar Mascarenhos: "The Possibilities"]

[Text] The period in which those arrested in the police operation against the FP-25 may be held incommunicado ends on Thursday.

The date coincides noticeably with the conclusion of the parliamentary debate on the internal security [law]. We will know at that time whether or not there is any foundation for the arrests that were made. One of two situations will emerge: either the police operation was a complete success—and it will be proven that stronger legislation is not needed—or it was a failure—and no one will be able to deny the wisdom of those who thought it was all nothing more than a Machievellian charade to force a change in the law, after an exhibition of the ineffectiveness of the current legislation. But there is still another fact that cries out for recognition: the situation of Otelo. We know that all citizens are equal in the eyes of the law; they are not, however, equal from the standpoint of public opinion. So in this case, precise measures will have to be taken so that Otelo's prosecution will not be seen as "one more" of the many that have dogged the days of a man who, even if a sea of water has passed under the bridge, will never cease to be "the hero of 25 April."

Military on Otelo

Lisbon EXPRESSO in Portuguese 7 Jul 84 p 3

[Text] "All the prerogatives to which the military are entitled have been violated in the case of Lt Col Otelo Saraiva de Carvalho," a source close to Belem told EXPRESSO. The same informant added that "the Military Judiciary Police were totally excluded from the process of arresting the military strategist of the 25 April Revolution."

"Otelo currently has no guarantee of a defense. All the military traditions which they taught us for years at the Academy have been ignored," declared the source, adding: "If charges cannot be brought against him and he is released at the end of 20 days, Army Chief of Staff Salazar Braga will take a public stand on this arrest, which was not conducted in a manner befitting a military officer. Moreover, several dozen officers, of various persuasions, have offered to testify on behalf of Lt Col Saraiva de Carvalho."

In Event of Failure

Lisbon DIARIO DE NOTICIAS in Portuguese 9 Jul 84 p 6

[Editorial: "Two 'Lapses' and a Risk"]

[Text] The release, for "lack of sufficient evidence," of one of those arrested in Operation FP-25 will not, in itself, give rise to any second thoughts about the police action itself or the manner in which the prosecution has been conducted. On the contrary, it could be taken as a sign that the judicial institutions are functioning properly and merit our confidence, because, if an error is detected, the courts do not hesitate to acknowledge it and to act promptly to correct it—if it is possible to correct errors of this kind which, from a social standpoint, leave indelible marks on the citizens who are the victims of them.

True, this is the second error acknowledged by the Justice Ministry in the course of a week. The first one, noted here, was the incorrect interpretation by the police of the judge's instruction regarding the presence of an agent while the detainees were meeting with their attorneys. Even so, there was no cause for great alarm. After all, would it be surprising if, in an operation of this magnitude, one or more of the 42 arrested would be released for lack of sufficient evidence? It would be serious, but not alarming. It will be alarming if, instead of 1, there are 5 or 10 or more innocent suspects. It would be even more alarming if 1, or 5 or 10 or more suspects continued to be held without sufficient—and consistent—incriminating evidence.

The case of Antonio Pinto Guerra, who has now been released from the cells of Gomes Freire, after 2 weeks of unjustified detention, appears somewhat odd, however, and raises some doubts about the methods used by the Judiciary Police to arrive at the suspects for whom arrest orders would be issued. In an interview with this newspaper, Pinto Guerra said the police went looking for him at the home of his wife, from whom he has been separated for about 5 years, and not at the house where he lives with his mother. Seemingly insignificant, the fact is particularly relevant in light of this question: If, in executing the arrest order, the Judiciary Police had proof or strong evidence that the suspect was involved in FP-25 activities, how is it explained that they did not even know where he lived? Obviously one begins with an assumption: before making the decision to arrest any individual, the PJ conduct a thorough investigation which leads them to him. Otherwise there is only one possible interpretation, given the facts that are known: the PJ were led into an error by an informer and they were not careful to ascertain that there was any basis for the accusation. If this is the case, there is reason to fear that all

citizens, no matter how innocent, risk being arrested simply because someone informs the police they they have committed a crime. It does not seem to us that adopting the rule "arrest now and get the evidence later" is really suitable under a state of law, in which we presume we live.

The two "lapses" already acknowledged by Justice in this intricate prosecutionsomewhat obscure in their motives--come together with some elements that raise some doubts as to the success of the FP-25 April operation; at the same time, there is an intriguing flurry of contradictory information regarding the possible release of some detainees. The poorly disguised jubilation which marked the first days has given way to moderation. To say, as the justice minister said, that the PJ had achieved its planned objectives is an empty and meaningless statement, because he did [not] say what those objective were. To hear sources linked to the investigation declare that the "brains" had been arrested, but that most of the operatives were still at large, suggests a kind of uncertainty that might lead public opinion to the conclusion that, in the end, while it might have been an important step, the operation was not the spectacular success we had been led to believe --on top of everything else, because it will certainly be much more difficult to prove the guilt of the "brains" than of the "operatives." The "PRP case" is still not too far removed; it is there to demonstrate this. Its repetition would have disastrous consequences, particularly because Otelo is not Carlos Antunes or Isabel de Carmo.

In the political discussions, the interpretations and opinions are mounting that the police action was determined by an intersection of interests that were disparate and at variance with one another and not just a simple, straightforward wish to eliminate the FP-25 April. Time will tell if such interpretations have any basis in fact; they suggest a scenario in which, if the operation is a success, there are many, inside and outside the government majority, who will try to use it to their advantage. But who will pay the price if it turns out to have been a failure, a risk that cannot be ruled out at this time? It will be well, in this event, if each individual assumes his responsibilities, particularly those who were most involved in this powerful demonstration of authority.

National Malaise Alleged

Lisbon O JORNAL in Portuguese 6 Jul 84 p 7

[Commentary by Augusto Abelaira: "Writing on the Water"]

[Text] Before the recent arrests, there was a certain perplexity; many people—apparently even the prime minister—were asking themselves: How is it possible that the FP-25 April activists can be so carefree? Why aren't the Judiciary Police uncovering anything? This leads to another, cloudier, issue: What is behind all this? The most varied and contradictory answers have been formulated.

Oddly enough, after the arrests, the preplexity persisted; the malaise continued. The same question, although perhaps turned around, remained: What is behind all this?

Given normal conditions of temperature and barometric pressure, we could conclude that what is behind all this is that the PJ, purely and simply, did its duty; it detected and arrested the suspects, at least some of them. If the FP-25's

exist (everything indicates they do) and if they commit criminal acts, as they themselves claim, then these criminal acts are necessarily committed by individuals. And if there are individuals, it is reasonable that these individuals can be detected by the police, so the fact that they were arrested should not surprise anyone. Those who go out in the rain get wet, and it would be absurd to think that the PJ exclusively arrested individuals who had nothing to do with the FP-25. It is simply not logical that, instead of seeking out the members of FP-25 April, the PJ would choose to take action against the FUP [United Popular Front], a small party that, in itself, has very little influence. The world is absurd, but not that absurd.

Apparently, then, everything seems clear. At most, it might be thought that some or many of the suspects are innocent and that the evidence against them doesn't amount to anything. And yet the malaise persists, the odd feeling (correct or mistaken) that something is not right here. Why?

--Because the arrests coincided with the opening of the debate on the new internal security legislation in the Assembly of the Republic? Because the operation was launched when Mario Soares was away? Because among those arrested was the most famous hero of a revolution that gave us our freedom, a man to whom we will eternally be in debt? Because of the confusion arising from a judicial dispatch that gave us the feeling that we live under exceedingly fluid laws? Because we discovered that the notion of "flagrante delicto" is much broader than we thought, so broad that, theoretically, 10 million Portuguese are at this moment in "flagrante delicto" if the police suspect they are terrorists? Because the government itself is now apparently distancing itself from the police operation, which —in the beginning—it was taking credit for?

I cannot explain it; I can only say that the malaise is showing up in the press and, I feel, not only in the press. It is an ill-defined suspicion that we do not know where to direct, a notion that some surprises are in store for us.

"What is behind all this?" One possibility is that there is nothing, that everything will be clear, that the best thing to do is wait and see.

What impresses me most is that the malaise seems to transcend this case. It seems to be a part of a general climate of suspicion. I mean to say: we live in an era in which we are suspicious of everything and we ask of everything: "What is behind all this?" In other words, trust is apparently dead in Portugal.

No public act is taken on faith; everything is mistrusted.

How did we arrive at this state? What can be done that people will believe in, if we see an ulterior motive in everything, even when we have no reason to do so? Unfortunately, we almost always have reason to do so, and this is why the suspicion persists. I do not want to go into the achievements or failures of the current government here; I will only say that—on one level, at least—it has been a complete failure. It has failed to restore trust. I am not even talking about hope; I'm talking about trust.

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POLITICAL PORTUGAL

SOARES SPEECH SAID NOT TO ADDRESS POLITICAL REALITIES

Lisbon SEMANARIO in Portuguese 2 Jun 84 p 2

[Article by Marcelo Rebelo de Sousa in the column "Second Page": "Retreating Forward"]

[Text] A cool and dispassionate analysis of the words with which the prime minister belatedly decided to explain to the Portuguese people what he had not considered urgentjusta week and a half earlier reveals that some aspects of the diagnosis made by Dr Mario Soares about the nation's present situation have some reason for being:

- 1. Acknowledgement of avoidable errors, a deficient pace of leadership and contradictory actions by the administration he heads;
- 2. The lack of "elan" in implementation of structural measures;
- 3. The government's carelessness about its public image, subject to increasing and worrisome erosion;
- 4. Existence of a climate of social unrest, especially in urban and suburban areas and among the more depressed classes, a climate fed by the weight of austerity and by a growing feeling that there is no hope for the future;
- 5. The virtual political exploitation of this climate by sectors he did not name, but which are easily identified with the PCP and also have something to do with the Eanist movements, reborn in recent months;
- 6. Signs that this exploitation is being accompanied by an invitation to resort to means of struggle that could put the authority of the State to the test and in any event test the prestige and efficacy of prevailing institutions.

It was clear that the prime minister is finally aware, at least in part, of the seriousness of the current political situation, which bears emphasis. Dr Mario Soares has remained cloistered in the ivory tower of his ideal nation too long to be able to comprehend what is going on in the real nation. The resounding collapse of governmental reform called him from the world of his imagination to the world of facts. More than enough reason to welcome the first, although yet incomplete, gesture of some political discernment.

To tell the truth, moreover, two profoundly human traits of the prime minister's message must also be emphasized:

- 1. His honest acknowledgment of the failure of his previous terms as prime minister: it is Dr Mario Soares himself--prime minister of the first and second constitutional governments--who asserts that before this administration no other had dared to cope courageously with the Gordian knots that are an essential of the Portuguese crisis; such self-criticism can only elevate the one who makes it and explains the humility with which he should judge others;
- 2. His sincere testimony about the hardships of having power in Portugal in a time of economic crisis, political controversy and social unrest; anyone who has ever played this role, fashioned of the ingratitude of fellow citizens, virulent attacks by one's adversaries, appeals to general strikes, comprehends easily the weight of being head of government, not forgetting those who, in the opposition, so often make capital of complaints by basing electoral campaigns on the nation's bankruptcy, only to later, in the government, become justly irate about methods of this sort.

In a word, the prime minister deomonstrated that he is more realistic, because less withdrawn from the national political situation, and reiterated the profile, which few would deny him, of a sincere man, honest servant of the State, ready to acknowledge, even if with years of delay, that he was a poor prime minister in 1976 and 1978 and a weak leader of the opposition from 1979 through 1983.

His speech to the nation showed another worthy trait: Dr Mario Soares continues to speak for himself and for the vice prime minister and president of the National Political Commission of the PSD [Social Democratic Party].

In certain passages of the speech it could even be said that he was speaking more to the PSD and its members and leaders than to the Portuguese people in general or even to the members of his own party. When some day the history of this period of governance by the central bloc is written, it will be recognized that Mario Soares was more than an organizational superior or counselor to Prof Carlos Mota Pinto; he acted frequently as his political crutch, even taking his place in the speech addressed to adherents of the Social Democrats.

But, although the prime minister's words demonstrated a clearer awareness of some facets of the national crisis, there were others that he minimized or omitted, as extraneous, as politically inappropriate, or as simply too difficult to include in the global economy of his address:

- 1. He minimized the seriousness of the excessively dramatic invitations to disturbance of the public order; the not-very-distant memory of such exaggerations, even when advocated later in a climate of undeniable governmental solidarity, should be sufficient to show that they can be a two-edged sword, revealing a weakness of power, incurring negative speculations about the government, giving an impression of a defensive last-ditch stand and frightening domestic and foreign businessmen;
- 2. He ignored the political symptoms of more pronounced polarization in Portuguese affairs, a reflection of the ineptitude of power and of the crisis of the party system in absorbing collective tensions;

- 3. He omitted the extremely important question of the shift of the center of gravity of the Portuguese political system to the Left, so that it is no longer situated between the PS [Socialist Party] and the PSD (alternative nuclei in the government) but is situated in the middle of the PS and closer and closer to its Left boundary; the fact that surveys show that the main political cleavage is there and that the alternative to the central bloc is an unorganized front in which the only structured force is the PCP says amilot about the recent evolution of the party system;
- 4. In contrast, the opposition to the central bloc from the Right is relatively irrelevant, which underscores the importance of the above-mentioned front, a reality that cannot be hidden away nor exorcized with mere verbal attacks;
- 5. Thus, although it can be asserted that the social crisis drastically reduced the mobilization capacity of the CGTP/Inter [General Federation of Portuguese Workers/National Intersindical], the political maneuvering room of the PCP made a substantial gain in the space of 1 year of a government strategy of loss to the Left without gains to the Right;
- 6. Despite the goodwill of some naive souls, this evolution runs the risk of demolishing the Socialist Party over time, which is undesirable, as its loss of the leadership of the Portuguese Left would mean a strengthening of the PCP and of organized or unorganized popular-front arrangements (and let not the case be cited of countries with minute and divided communist parties, such as Spain);
- 7. In the same way, this evolution now underway creates two dispersive phenomena on the Right: the increase of extra-party "lobbying" and the appeal to the presidential myth as a way of transforming political and electoral weakness;
- 8. Another omitted facet is the profound intra-party crisis, inseparable from electoral legislation, eloquent testimony of which was the exchange of letters between the president of the National Congress of the PDS and the past president of its parliamentary group;
- 9. Also omitted was the rapid conversion of the Council of Social Reconciliation into an arena of pre-party, pro-party and post-party pressure, discrediting a recently-created agency that requires prestige to be able to carry out its legal responsibilities;
- 10. Just to cover some of the salient points of the present critical situation that must be remembered, even if absent from the prime minister's diagnosis, the political "impasse" of the collapse of government reform must be mentioned; rejection of this reform simply because of its intrinsic impossibility is evidence that even the greatest oratorical talent cannot manage to hide from the Portuguese people and represents a heavy mortgage for the government—not because A. B or C remained or D, E or F was kept out, but because a government that is incapable of reorganizing itself is hardly competent to solve the nation's problems.

Having made the diagnosis of the crisis, the prime minister and the vice prime minister chose to retreat forward, in the best tradition, incidentally, of the recent years of our constitutional government.

And the same government that could not carry out a reform of any nature, now promises to approve in 60 days structural measures that were not taken in 360, submitting to Parliament stop-gap legislation and asking the deputies for a show of confidence that the government never even had in itself.

Of course, in the pinch of the collapsed reform there were not many who left, or left gracefully.

But a more risky course was chosen, or at least more risky for a country where there was no widespread political impunity.

In a responsible democratic state one does not promise to do in 60 days what-sometimes essentially for political reasons--what could not be done in 360. A vote of confidence is not given the day after the collapse of a faulty reform and before such promises are fulfilled for the next 2 months. One does not bind up the wounds of a government with verbal parades, which either are honest and are linked to the nearly impossible (looking at their past and their present) or are dilatory and discredit those who formulate them and those who accept them.

The government decided to go further in June 1984 than it had promised in the Program of June 1983. Like the athlete who tries unsuccessfully for 1 year to make the national team and promises that in 2 months he will qualify for the Olympics.

Perhaps the most reasonable thing to do is to begin at the beginning and not promise the end and create the objective and subjective conditions that failed during the last year, brought the country to a serious political crisis, which is not solely the fault of the government and its poor leadership, but is to a large extent.

The government asserts that in 60 days it guarantees passage of new legislation covering cessation of the individual labor contract, agrarian reform, rural tenure, residential rents, reorganization of the public-enterprise sector and charging of interest in advance.

Because these are very important structural measures which are indeed worthy of this quixotic act on the government's part, we would not be the ones to question their need or their urgency.

The government has 60 days in which to act or (re)commence to fall. Would it be unwarranted, even for one who does not believe in the miraculous transformation of incompetence, to wish the government the greatest success? Well, memory is short, but long enough to judge within 2-months the honesty and capability of the prime minister, the vice prime minister and the government.

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POLITICAL PORTUGAL

SOARES SEEN SUCCESSFUL IN AVERTING RESHUFFLE

Lisbon SEMANARIO in Portuguese 2 Jun 84 p 4

[Article by Carlos Silveira: "The Reshuffle That Didn't Happen"]

[Text] The government's climate of promotion and survival campaign and Mario Soares' (innermost) desire not to change won the springtime battle to reshuffle the cabinet, a battle begun zealously by the National Political Commission of the PSD [Social Democratic Party] exactly 1 month ago.

In fact, the prime minister, who never really wanted the reshuffle, is the big winner from his stalling tactics and from his idea to suddenly introduce in the Assembly of the Republic a motion of confidence and to "dramatize" before the nation the climate of social unrest, undeniably serious, but which, once emphasized, serves as a useful alibi for the government.

Act 1: Everything Began in PSD

It is well to recall that everything started through the initiative of the Social Democratic Party, whose National Political Commission urged the Socialist Party to accept a governmental reshuffle, at the same time that qualified Social Democratic leaders explained in every tone of voice the necessity and urgency of such a reform.

The same PSD that 1 month later would give up the reform process for lost, for being a practical impossibility, had been its first strong supporter.

As a matter of fact, it all happened when Carlos Mota Pinto, on the eve of departing for the People's Republic of China, put Rui Machete in charge of negotiating with the Socialist Party, represented by Eduardo Pereira, for organizational and personnel changes in the government.

Act 2: Machete and Pereira Work, Lobbies Act

While Mario Soares and Mota Pinto were away, apparently still little concerned about the climate of social unrest, Rui Machete, minister of justice, and Eduardo Pereira, minister of internal administration, were coming up with ideas.

Machete favored strengthening the position of Ernani Lopes, who was to become minister of state for finance and economic coordination. But the most that the

PS [Socialist Party] was willing to accept as a working hypothesis was the function of "economic coordination." And even so, other solutions were suggested later, such as dividing the position between Ernani Lopes and Vitor Constancio, or turning the whole post over to this highly-regarded socialist leader.

Some other ideas of Machete's: Free Almeida Santos from the Media Ministry, to be absorbed by the State Secretariat for Culture or put directly under Mario Soares, and also take away from him the Public Administration Ministry, which would come under the justice minister as an auxiliary secretary of state.

For the PS the departures of Soares Costa and Jose Augusto Seabra were desirable, whereas for the PSD the parity of changes was a "closed issue"--two for two or three for three: Rosado Correia and Veiga Simao would be the most immediate or tempting targets.

But the "lobbies," or pressure groups organized by the ministers who were to be replaced, went into action and generated journalistic campaigns, sometimes with conflicting signals.

Thus, Rosado Correia and Eugenio Nobre saw published testimony of their possible errors and weaknesses and in particular of their personal and political clashes.

Soares Costa was attacked and defended, as was Jose Augusto Seabra. And Veiga Simao was no exception...

Act 3: Summits Have Polemics and Dance of Abolitions Emerges

A third moment of the reshuffling process was the succession of polemical summits, some because they were public, or made public in their internal differences, others because they were denied in being held but visible in their hidden motives.

And the dance of abolition emerges. Mota Pinto insists on abolition of the Ministry for Quality of Life, threatening his Braga adversary, Antonio Capucho.

Now Mario Soares indirectly and subtly favors retention of Capucho, as in fact does Rui Machete, interested in not losing points with the former secretary general of the PSD.

In exchange, the PSD suggests abolition of the Ministry of Maritime Affairs, transferring Carlos Melancia to the Ministry of Public Equipment, or to one of the two cabinet posts resulting from its breakup: Transport and Communications. And it wishes to reserve for itself the new Ministry of Housing and Public Works.

Rui Machete and Eduardo Pereira have just then concluded the initial basic document of the restructuring and the former even leaks to the press the conditions upon which he will remain in the government, which conditions were later left to fall into the "final point" of the frustrated change.

Act 4: Quality of Life-Cultural Exchange; Resistance of Simao, Seabra

With the passing of the phase of abolishing the Quality of Life ministry instead of that of Maritime Affairs, about 8 days later a new idea emerged--swap Capucho's ministry for that of Coimbra Martins.

But besides this step (accepted by both the PS and the PSD), the Social Democrats wanted to replace Veiga Simao in Industry and Energy and the Socialists wanted the removal of Jose Augusto Seabra.

Veiga Simao, however, resisted in the press and in the PS and eventually reported that he would resign because the PSD does not accept his program of profound restructuring of the public-enterprise sector, an argument all the more curious in that the minister was attacked by the Social Democrats precisely because of his incapacity to act in this field.

And Jose Augusto Seabra uses the weapon of the media, the support of Mota Pinto and of some district PSD leaders, even letting it be known that an essential base of his support would be the Catholic hierarchy.

Simao and Seabra thus prevented their own removal and gave the final push to the sad death of governmental restructuring.

Act 5: Proénca de Carvalho Refuses; PSD Vetoes Santos Martins

Soares da Costa was certain to be replaced in Agriculture and Santos Martins, with experience in the business sector of the Ministry of Industry and Energy, was a name dear to Rui Machete and to Carlos Mota Pinto himself. But the National Political Commission of the PSD "flunked" Santos Martins, putting the party leader himself in a weak position.

Santos had not, in fact, been the first choice for Agriculture. Daniel Proenca de Carvalho was preferred by Mario Soares and Carlos Mota Pinto, but he firmly refused all the persistent invitations to join the government.

Just 1 and 1/2 week ago Mario Soares himself heard the reasons for refusing this or, in fact, any other position, in a critical attitude toward the government's actions. Besides the unyielding positions of the PS in favor of Veiga Simao and of the PSD in support of Seabra, Agriculture was a no-man's-land...

And the problems didn't stop there...

Act 6: Nobre, Yes, But Not in Public Works

Rosado Correia, after losing out in the first phase, becomes extremely active in interviews and official visits.

And the Socialists reply with a smart counter-offensive: Soares tells Mota Pinto that Eugenio Nobre could remain in the government, but not only would he not become a minister but he could remain as secretary of state of any ministry except Public Works

It was the payment for the removal of Rosado Correia. An eye for an eye, and a tooth for a tooth.

But Eugenio Nobre uses his weight in the national leadership of the PSD and with Mota Pinto and the district "Mota-Pintist" officials begin broadcasting their support for the secretary of state in peril of political extinction...

The panorama was complete and the cabinet reshuffle was dead. Soares and the PS did not want to support it and the PSD were unwilling to accept the retreat that their coalition partner forced upon them.

And Mota Pinto, forced to acknowledge that the restructuring he and his party wanted had failed, had to seek political cosmetics. Quickly and minimally convincing, because of the National Council's weekend meeting. (See news article on page 7 [not published herewith].)

Act 7: 'Primer of Demands'; Invitation to Social Unrest

Basically, the restructuring failed because of the government itself. The impossibility of arriving at agreement on the persons involved now required a careful political camouflage.

Mota Pinto takes advantage of the strong position of the CIP [Portuguese Industry Confederation], CAP [Portuguese Farmers Association] and CCP [expansion unknown] and comes forward with a "Primer of Demands" and some political points to be taken care of by the end of July (see news article on page 64 [not published herewith]).

He would then cease to speak of restructuring in order to mention structural reforms.

Soares and Pinto would say publicly that, after all, they had concluded that reshuffling of the government was illogical and that they were betting on the measures that the remaining ministers would get underway in a vigorous manner.

And the prime minister would emphasize in a message to the Portuguese people the danger of a PCP campaign of agitation and destabilization, intended to erase the memory of the failed ressuffle and to reunify the demoralized troops of the coalition parties.

The password now has two parts: resistance to the PCP and structural changes.

Strictly speaking, the first is not new, but has acquired renewed intensity. And the second rises from the ashes, cleverly inserted in Mario Soares' speech of day before yesterday in order to produce the effect of a public commitment avoided in the brief press conference of 10 days earlier.

Act 8: Vote of Confidence: Soares Tidies Up

There remained the final step in the attempt to blot out the memory of the sad death of the cabinet reshuffle.

Mario Soares comes forward the day before yesterday, unexpectedly, with the motion of confidence that Mota Pinto the day before had told his party's members of Parliament was not advisable to be introduced before complying scrupulously with the "Primer of Demands" adopted for the next 2 months.

Mota Pinto had assured them that the motion would not come up first. The cart was not to be put before the horse.

It turned out, however, that, with Mario Soares as the prime mover, the surprise was consummated. With astonishment in the Assembly of the Republic and showing that the prime minister wants to carry out to the end his conducting of political events.

The PSD had wanted the cabinet reshuffle. The facts revealed that it was not done, as in fact Mario Soares had always wanted.

Mota Pinto had come forward with a "Primer of Demands." Mario Soares included it in his speech to the nation, took the initiative in the political, economic and social structural changes.

The nation pondered in astonishment the death of restructuring at the hands of the very government that was to restructure itself. Mario Soares called attention to the risk of imminent destabilization and again gave the speech favoring a democratic front.

Mota Pinto advised the vote of confidence in parliament only after signs of political change. Mario Soares advanced it by 60 days.

...And the ninth constitutional government wil continue to function without organizational and personnel changes, so that each one will forget what he said and what was said about him during the last 3 weeks.

Rosado Correia with Eugenio Nobre. Veiga Simao with the PSD. Jose Augusto Seabra with the PS. Soares Costa with Agriculture. And Antonio Capucha...

The prime minister declared to the Portuguese people that it would be this way, without any room for doubt.

Now, after the first time a constitutional government initiated an internal reshuffle, only to end inconclusively 1 month later.

8834

CSO: 3542/78

POLITICAL

HERRI BATASUNA ACCUSES PSOE OF BASQUE OPPRESSION

San Sebastian EGIN in Spanish 3 Jul 84 p 3

[Text] Yesterday during a press conference the leaders of Herri Batasuna [HB] accused the Basque Socialist Workers Party [PSOE] government of "oppressing, repressing and trampling" the Basque people. The press conference was held for the purpose of making known to the public the conclusions HB has drawn from last Saturday's police actions against the demonstrations in Donostia in support of Basque political prisoners and refugees which once more showed clearly that "one policeman or one civil guard has more authority than an elected official."

Inaki Esnaola, HB deputy in the Spanish Congress and the first of the Abertzale spokesmen to take the floor, severely criticized the PSOE government's administration which he compared, so far as the Basque people are concerned, with the worst of times under Franco.

Esnaola, a Basque lawyer, said that the prohibition of the pro-amnesty demonstration, first by the governor and secondly by the Pamplona Administrative Litigation Court, clearly shows that the PSOR violates the most elementary democratic freedom, the right to freedom of expression, "one of the points contemplated by our Patriotic Socialist Coordination [KAS] alternative."

The HB deputy said that the PSOE had forbidden the exercise of this fundamental right to "thousands of persons." "This so-called democratic state," he said, "allows freedom of expression, about which they boast so much, only to those in power, those in command. It is not for those whom they do not want to have talk."

After repeating that the PSOE government violates the most elementary laws of democracy and always conducts itself in the most antidemocratic way, Esnaola said that the PSOE leaders tiresomely insist that "They do not have to talk to Herri Batasuna or anybody else" about negotiations seeking formulas for peace. He added, "The PSOE wants to impose a 'Poman peace,' that of the conqueror, wishing to force the opposition to its knees and limiting, even withholding his democratic freedoms."

Esnaola said that democracy must accept the right of self-government of a people, must respect their capability to make political decisions and to

attain independence if they so decide. He added, "This is completely contrary to the immutable, and hence antidemocratic, principles the PSOE espouses."

Later on he said, "The PSOE oppresses, represses, tramples and wounds by its acts of vandalism which bring to mind those committed at demonstrations during Franco's times."

The Abertzale leader said finally that, "one cannot be a democrat while trampling on the people. Instead of listening, they repress so as not to provide political options." He said, "The peace of the conqueror cannot be imposed since the 'vanquished' always rise again and the methods which the winner does not want him to use will be employed with more vigor than in the past."

Ziluaga: Conditions Are Worse Than Under Franco

Ziluaga recalled the "Aberri-Eguna" of the year 1968 in Donostia which was outlawed and at which time 300 persons were arrested. He said, "This year, 1984, last Saturday, the PSOE reminded us of 1968, and with interest, since there were more police, more resources and more brutality."

Ziluaga described as "brutal" the beating last Saturday of three women between the ages of 65 and 70, acts such as he had not observed during the Franco period.

Ziluaga, member of the HB National Directorate, not only blamed the policemen but also accused "the political authorities who order them to trample on the people." Ziluaga stressed, "The responsible political leaders, the authorities, did not make an appearance when we attempted to speak with them. When we went to speak with the governor, or supergovernor," he added, "first, we were told that he was away on a trip and later that he was on vacation, so no one is responsible for, among many other things, the incident such as the one involving the captain who beat three women of between 65 and 70 years of age, and continued to do so when they fell to the ground.

As a result of this incident, Txomin Ziluaga yesterday afternoon made a complaint before the Tribunal of the Guard in San Sebastian. In it, the aforementioned captain is accused of police brutality and improper use of his authority.

Soto: "The Democratic Defeat of PSOE"

HB council man of Donostia Felix Soto also insisted on holding responsible the PSOE authorities who sent "armed troops with orders to crush the demonstrators." Soto spoke of the PSOE government, saying that although they have been in power for 2 years they have not yet found a way to solve the problems which have arisen in Euskadi. Later on he said that the persons really responsible are those who 7 years ago "said they were struggling for democratic freedoms."

Soto said that conditions today in Euskadi are the same as those of 1975 and 1977 during which pro-amnesty demonstrations were harshly repressed with brutality and mistreatment of persons arrested.

Soto also spoke of the official statements disseminated by the present PSOE civilian governments. He said they are "copies of the bulletins issued over the Spanish TV and Radio Nacional under Franco."

Felix Soto closed his speech with the statement that the PSOE "is a great defeat for democracy whose chosen method is to retreat by advancing." He said, "There is repression here, there are attacks on the other side of the border and in the end the PSOE is losing its credentials."

Gorostidi: "A Policeman Has More Authority Than an Elected Official"

In behalf of the HB National Directorate Jokin Gorostidi congratulated the Euskadi Pro-Amnesty Promoters for their campaign raising the problem of Basque prisoners and political refugees under the present, difficult conditions. Gorostidi said that last Saturday a broad sector of the Basque people had shown, in spite of all the difficulties and prohibitions, that "these people love their prisoners and exiles."

Gorostidi also pointed out that the political prisoners are now worse off than they were under Franco rule. This point was admitted even by the director of Herrera de la Mancha where the state maximum security prison is located. Gorostidi describes it as "the jail for the extermination of our prisoners."

Concerning the police action at Donostia, Jokin Gorostidi said that last Saturday "it was shown, once again, that a civil guard, policeman or inspector has more authority than an official elected by the people." He ended his speech saying that PSOE "attempts to conceal the sensitization of the people by forbidding them to speak." He added, "This is the wrong road, because they will not be able to get the best of our people."

9204

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POLITICAL

POPULAR COALITION TO SHY AWAY FROM ELECTORAL PACTS

Madrid ABC in Spanish 8 Jul 84 p 22

[Text] Madrid--Possible agreements between the Popular Coalition and other political forces, especially the nationalist ones, seem to have been discarded for the moment by the party led by Manuel Fraga. However, the coalition will continue with its "open-door" policy.

The road that the center-right will take in the fall seems to be aimed more at internal strengthening than at juggling third parties. These would involve too many a priori conditions to be even minimally effective.

Manuel Fraga stated recently: "It is obvious that the sum of spoons, knives, forks and one ashtray is not enough." He was referring to the conclusions of the Popular Coalition "summit" held in the Basque Country.

The result of the long debates and the papers presented at Igueldo eliminated the possibility of a Coalition-PNV [Basque Nationalist Party] pact in the Basque Country for many reasons. Manuel Fraga cited their different ideas about Spain and their different analyses of current political reality.

Since on previous occasions formalized agreements with the PNV in places like Navarra were not carried out in practice, the head of the opposition indicated: "This makes it necessary to seek guarantees in other pacts since the PNV could not fulfill them in the past." It is easier for Fraga to talk about pacts than to fulfill them. As to the Basque Country, the conclusion is that no type of global pact can be reached now.

The PDP [People's Democratic Party] headed by Oscar Alzaga has always been unwilling to agree on a pact with the PNV. With the actions in Navarra, it left its position established.

Catalonia and Roca

"Operation Roca" has received considerable impetus in Catalonia after the last autonomous elections. Now the Catalan deputy has the complete support of the president of the Generalidad, Jordi Pujol, to spread his project nationally. Although it is very difficult for the future reformist party to have enough

electoral strength in the coming general elections, a minimal electoral presence will suffice to achieve the primary objective of the Catalan nationalists (to have a presence throughout Spanish territory).

Keeping this factor in mind, the strategists of the Popular Coalition do not discard collaboration with the current governing coalition in the Generalidad in the coming general elections. However, this would not be very important and would be based on precise issues.

From this perspective, the coalition will maintain a position of open understanding toward other forces but its main objective will be to strengthen itself from within. In the provinces, the party is being restructured with the minimum attrition possible. The AP [Popular Alliance] feels that the incorporations expected will have to lead to an improvement of this type.

Close Ranks

This tactic of "reinforcement" of the human legacy should be completed before the next Galician autonomous elections. It will begin over the summer. The political strategy to follow then is also prepared. In the analysis, the idea of a single "horse" that the center-right has for the next general elections, Manuel Fraga, is not questioned. Some feel that "the entire party will close ranks around this topic" and other sectors of the coalition feel there might not be unanimity. To the latter, everything depends on the results obtained in Galicia. They will unquestionably condition the subsequent political situation so the internal situation of the AP could change.

As to the functioning of the Popular Coalition which has had its ups and downs in recent times, it is considered necessary to reinforce the role of the Coordination Committee which so far has had very few opportunities to act. There have been few meetings to its credit.

This committee has 13 members, a chairman and 3 representatives from aligned parties: UPN [Union of Navarra People], UV [Valencia Union] and PAR [Aragon Regionalist Party]. At the recent coalition meeting in San Sebastian, one sector proposed a merger of all the parties in it to form one single party for the Basque Country which, for various reasons, is considered "different." However, this idea was not successful. The PDP firmly advocates keeping the coalition as it is.

At least it seems clear that the Popular Coalition will not link the two major nationalist options of the Basque Country and Catalonia. Therefore, its strategy will be oriented toward reinforcing itself internally in order to be able to beat the socialists in 1986.

7717 CSO: 3548/294 POLITICAL SPAIN

GONZALEZ-SOARES TO MOLD EEC STRATEGY, EYE COMMON PROBLEMS

Madrid ABC in Spanish 8 Jul 84 p 25

[Article by Alberto Miguez: "Portugal, Spain Will Try to Reach Agreement on Negotiations with EEC"]

[Text] Madrid--Portuguese Prime Minister Mario Soares will come to Madrid tomorrow for a brief visit. He will try to design a "coordinated negotiating strategy" for the EEC with his friend and copartisan, President Felipe Gonzalez, and resolve some pending bilateral problems.

Soares will have a "working supper" with Gonzalez Monday night and will return to Lisbon the next day. The Portuguese minister of foreign affairs, Jaime Gama, and top officials of the Foreign Ministry will accompany him. Gama will meet with Fernando Moran on Monday and will attend the Moncloa supper.

Although the meeting between Soares and the president was planned in advance—it was announced 1 May when Soares participated in the "La Clave" program and had a "working breakfast" in Moncloa—observers in Madrid and Lisbon were some—what surprised at the announcement of the trip to Madrid. Some feel that with this quick visit Soares is trying to avoid misunderstandings and the worsening of already "cool" relations at a politically delicate time for the two countries.

Individual Negotiations

A week ago President Felipe Gonzalez was supposed to attend the closing of a meeting in Lisbon on democracy in Ibero-America organized by the Portuguese prime minister. He had to cancel his trip at the last minute when a bomb threat at the Paracuellos air control center delayed his flight indefinitely. Gonzalez' absence at the Lisbon meeting was seen as unwillingness by Soares to whom the gesture was proof of the Spanish president's reluctance concerning certain statements and positions on the problems of Ibero-America, especially Central America.

The Spanish-Portuguese differences and difficulties go far beyond the Ibero-American situation. In recent months, individual negotiations by both countries with the EEC have run into obvious difficulties because of an "Iberian

lack of harmony." Spain reproaches Portugal for having made too many concessions to the EEC--especially in the so-called "transitory periods"--in order to achieve admission "at any price."

The Spanish negotiators argue that these concessions have been used by the EEC as a weapon and pressure. Portugal reproaches Spain for putting up too many obstacles to the negotiation and using it as "cannon fodder" as if it were a joint Iberian Peninsula-EEC negotiation which hurts Portuguese interests. Both parties fear that the obligatory "transitory agreement" that the two countries must sign once the negotiations with the EEC are completed will be imposed by the "Eurocrats" of Brussels without any prior exchange of viewpoints between Madrid and Lisbon.

It is a matter of drawing up a negotiating strategy, different but in accord, that permits the admission of the two countries in the EEC without one being used against the other in the negotiations. According to our information, this subject will prevail in the Moncloa talks.

Inevitably both government chiefs must also analyze the status of relations between the two countries. It has already been said that these relations are difficult and there are very limited prospects for improving them at the bilateral level. None of the principles and projects announced triumphantly during the November 1983 Iberian "summit" (Felipe Gonzalez' visit to Lisbon) has been successfully applied.

The trade and fishing conflicts continue unresolved. Negotiations in both sectors are frozen and some believe that they can only be revived when negotiations with the EEC end, especially in the case of fishing.

There was little progress on the topic of the trade balance--favorable to Spain--although there were slight concessions by eliminating certain administrative barriers that had reduced trade to zero. Only in police and antiter-rorist collaboration has there been considerable progress as the minister of interior, Jose Barrionuevo, could personally verify in his quick trip to Lisbon a few days ago. Of course, these matters have never attained the scope they did in France and the possible installation of the ETA [Basque Fatherland and Liberty Group] in Portugal is improbable at this time.

7717

CSO: 3548/294

POLITICAL SPAIN

UGT AS POWER BROKER IN CABINET CLASH

Madrid DIARIO 16 in Spanish 6 Jul 84 p 5

[Article by Carlos Davila]

[Text] Behind the threat of a crisis, two things are evident: first, that the prime minister has decreed a postponement, not a suspension, and second, that the person in charge of economic questions in the government acted precipitately in unleashing speculations regarding a future reorganization. Something else is apparent, too: the prime minister hoped to take care of the problem by merely replacing three or four ministers, but now the crisis has become much broader, much more extensive.

The first question to be answered, of course, is "when." In the ministries, paralyzed by the atmosphere of pending change, it is believed that the head of the government, once it becomes abundantly clear that it is "he himself who has created the crisis and no one else," will attempt another move to reorganize the government in the final days of this month or the first of next month. "He is going to let things settle down, in order to seize the initiative again and put himself at the head of the demonstration."

African Hatreds

In addition, the UGT [General Union of Workers] happens to be disillusioned and the existence of "African hatreds" behind the fiasco cannot be hidden—hatreds that, in fact, will impede the mending of personal relations. An example of this is the problem that has arisen between "Superminister" Boyer and the head of the Ministry of Transportation, Enrique Baron. In the latter ministry, there is not the least doubt that Miguel Boyer stirred up the crisis just for the purpose of eliminating Baron—with whom, moreover, he has traditionally had difficult relations—from the government; it should be recalled, for example, that the election of Baron in the last parliament to be the economic spokesman of the socialist parliamentary bloc was what caused Boyer's haughty disaffection and the renunciation of his seat in parliament.

In the UGT, it is insistently maintained that "there is no way to head off the crisis." Scandalized by the poor management of public enterprises such as Insalud and Renfe, the socialist union doubts that some ministers, such as Lluch (health), can remain in office much longer; in any case, the UGT is going to support them, if credence is given the harsh criticism leveled against the head of the Health Ministry: "He suffers from insensitivity toward labor," declared the UGT, which also accused his entire team of maintaining a "deplorable attitude toward the country's great health problems."

Official sources contacted by this political correspondent insist that Prime Minister Gonzalez made no reference at all to the crisis in Tuesday's meeting of the cabinet. Felipe Gonzalez even hurried up the cabinet's discussions, so that he could attend the reception at La Granja in honor of the Saudi Arabian crown prince. In the afternoon, he literally dictated to Sotillos, who is still his spokesman, the statement denying an imminent government crisis. Nevertheless, in some ministries, it is reiterated that the information services were maintained in an "alert" status.

UGT Pressure

What is most likely, according to DIARIO 16's sources, is that the revelation of the crisis will cause some surprise in circles close to the deputy prime minister who, however, will react quickly to ensure that the minister of economy does not take charge of the crisis and resolve it to serve his own needs. In this connection, it remains to be seen how the UGT—which has supported Enrique Baron(but not the president of Renfe, Ramon Boixados, appointed by Baron)—will try to "save" the transportation minister while, at the same time, insisting that the government reorganization ought to be broader in scope than that proposed by the Moncloa (the prime minister's office) and designed to give "social" color to the new—frustrated—cabinet of Prime Minister Gonzalez.

Finally, in business circles, it is thought that the prime minister will bring the crisis to a head within the period indicated above, i.e., before a month has gone by. Gonzalez is looking forward to presiding resolutely over the beginning of the discussions on a social agreement, a key theme for the new phase of government in 1985.

12336

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MILITARY DENMARK

PEACE RESEARCHER'S WRITINGS ON FACILITIES WORRY FAEROESE

Stockholm SVENSKA DAGBLADET in Swedish 6 Jul 84 p 7

[Article by Ola Sall: "Wilkes Discloses Secret Activity on Faeroe Islands"]

[Text] Torshavn--Peace researcher Owen Wilkes, who was expelled from Sweden last year because he concerned himself with secret military information about Gotland, has in recent months caused a new political issue, this time on the Faeroe Islands, where he published information about NATO's radar station.

Wilkes was sentenced and expelled after having cycled around and photographed secret installations on Gotland. After the expulsion he continued his bicycle trips around Sornfelli Mountain, several miles outside the Faeroe Islands capital, Torshavn.

In a newspaper critical of the Danish military Wilkes later wrote that there are purely American installations inside NATO's radar station, without the knowledge of the Faeroe Islanders or Denmark.

According to Wilkes the American equipment is used for data transmission under the auspices of the National Security Agency (NSA), the United States' military intelligence service.

On the Faeroe Islands the newspaper immediately became a bestseller. There is a strong opinion against NATO on the islands. The Lagting, the islands' parliament, has three times declared that the NATO station should be removed.

NATO was obliged to invite the entire Lagting on a visit to the NATO base to explain. Eventually the affair came up in the Danish Folketing. Denmark still handles defense and foreign policy matters for the otherwise self-governing islands.

After Wilkes' information was published the Danish Foreign Minister Uffe Elleman-Jensen was obliged to announce in the Danish Folketing that there has been an agreement between the United States and Denmark since 1963 by which the United States built its own communications installation in the NATO area. Since the agreement was purely of a "technical nature" it did not have to be placed before the Folketing or the Foreign Policy Commission, said Elleman-Jensen. The contents of the agreement are still secret.

Concerning NATO

"The installation receives and transmits information. Some of this concerns NATO cooperation, some also concerns American communications work," said Elleman-Jensen.

In the Folketing it was asked whether the American installation can be included in Danish base policy, which says that foreign bases can not be located on Danish territory.

"Our main task is to be a part of the NATO radar warning system, to detect enemy aircraft," said Lieutenant Colonel Mogens Johnsen, commander of the station.

The signals which the station receives are relayed farther to the Shetland Islands and then to a central station in Buchan, Scotland.

Other Channels

There are also other channels in the system which are utilized to relay signals in a missile warning system which stretches between large radar antennas in Scotland, on Greenland and in Alaska. The system is controlled from the American air defense headquarters in Colorado.

"We are now about to begin a complete modernization of the station so that we will be able to utilize computer technology and will be able to send the signals to Scotland more quickly. Today it can take several minutes after we detect the aircraft until Scotland receives word of it. Those can be decisive minutes in an attack," said Mogens Johnsen.

'Hot Area'

J. D. Brusendorff, Commodore of the Faeroe Islands Command within the Danish Navy, calls the Faeroe Islands a very "hot" strategic military area.

Past the Faeroe Islands goes one of the two passages that the Soviet Murmansk fleet must transit in order to go south. The other passage goes between Iceland and Greenland.

"Soviet military activity around the islands is significant," said Commodore Brusendorff.

"Violations of the borders are, however, seldom or never observed, at least on the surface. On the other hand, during recent months we have had at

least three reliable reports of unidentified submarines well inside the Faeroe fjords."

Commodore Brusendorff realizes that the small Danish naval force on the islands can not repel a submerged penetrator. The navy has 100 men on the islands, of which half comprise the crews of the four vessels that are available.

9287

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MILITARY FRANCE

COMPUTER TRAINING FOR LONG SERVICE VOLUNTEERS

Paris L'UNITE in French 22 Jun 84 pp 20-21

[Article by Philippe Marquat: "Enlist, Reenlist in Computer Training!"]

[Excerpt] Has the army become a branch of the ANPE [Adult Professional Education Association]? Of course not, but with its specialized structures it can now give job training to a few hundred young recruits; it has moved notably into new technologies like data processing and robotics.

On Wednesday 13 June, at the close of the Council of Ministers meeting, a new series of measures was made public that are intended to strengthen job training for young people. Some 725,000 training positions will be opened to young people age 16-25. This is a welcome contradiction to the most pessimistic forecasts concerning the rise of unemployment among the young. More importantly it may and should make it possible to confirm the improvement noted on the labor market in May. Government and business are not the only ones involved in this struggle against unemployment, which, as is well known, requires a better coordination between demand and needs. The army is also involved. This is only logical, because military service falls at a key and decisive period in the lives of most young people, after they have left secondary school or the university and before they begin their careers.

Of course the army cannot transform itself into a new job-training organization; its job is entirely different. However, the two missions are not necessarily mutually exclusive, as is shown by the twin creation of VFI's and VEI's.

What is that? What is concealed by those somewhat outlandish abbreviations? Since the summer of 1983, some 376 select data-processing volunteers (VFI) have been made available to the ministries of Vocational Training and National Education to teach data-processing to job-seekers. One of them, named Hussein, who holds a postgraduate degree in mathematics and a degree in computer science, was interviewed by the armed forces journal TAM. He said he wanted to "put in a more useful and interesting hitch in the service" and thus applied to be a VFI. He was accepted. Once he had completed his training, Hussein served as a teacher trainee in data processing in the science department at Orsay. Then, for a 7-month period, he taught young job-seekers age 16-18 as well as adults looking for a job or in retraining. Some 600 new volunteers will be recruited in 1984-85; they will be graduates of universities and postgraduate professional schools.

Long-Service Volunteers

The role of the VFI's does not stop there. They are also the teachers of the VEI's, the volunteers for computer training. Since 1 December 1983, some 500 young recruits have volunteered to take computer classes and do hands-on work in the normal course of their military service. There is a condition: to volunteer for a long-term enlistment (16 months instead of 12). The VFI has to score satisfactorily on the preliminary placement tests, but all social classes—workers, professionals and merchants—have a chance, we were assured. These volunteers are then assigned to one of the 7 communications regiments stationed in France. To make the system better known, the National Defense services have not hesitated to publicize it in some magazines. One page shows a young soldier who is smiling and relaxed as he leans against an army vehicle; he looks as though he has made the best choice. "Long-service volunteers, you can choose," the caption reads.

"Computers are the thing to do these days," explains a major in the First Military Region (Ile-de-France and Centre). The headquarters is based at Loges, near Saint-Germain-en-Laye (in Yvelines department). "This business of computers is well under way and should pick up steam throughout the armed forces. Also, the army command wants us to take part in computer training." Especially because it meets military needs, since the army's new communications system now relies on computers. It is a mutually profitable exchange: like any business, the army needs computer technicians, and these technicians—whether they have already been trained or not—will benefit from their experience when they return to civilian life.

Data processing has thus made a major breakthrough at the headquarters of the First Military Region at its camp in Loges, near Saint-Germain-en-Laye. A card on the secretaries' office door reads, "The typewriter is dead, long live the word processor." A little farther on is another office open only to computer service personnel. Inside-we nevertheless managed to get in--young men and women (future polytechnic school students) were tapping on their microcomputer keyboards. Most of them are already qualified and are doing their military service as analyst-programmers under the lieutenant colonel who is in charge of organization, methods and automation for the First Military Region.

An Interesting Array

Fabienne, who has passed the entrance exam to the Polytechnic School, is doing her first year of military service. She explains, "I don't feel I can do a program yet. But before I was assigned to Loges, I had never touched a computer in my life. Now I have the basics, because I have learned what can be done with this machine." Michel, an advanced technician in electronics, came in with a solid background. He was assigned to Loges because he had done a course project for an industrialist who was a headquarters officer. He says it was "an experience that made it possible for me to do analysis and programming in my year of service and to learn another computer language."

Laurent is a trainee computer engineer and like the other young recruits is quite assiduous. Because of their already advanced training, they would like to make the most of their year of military service and increase the number of VFI's, which they consider insufficient. They would have liked to initiate their young

comrades into data processing, but that involves the very mission of the army and its development, says the Loges camp commander, who is a former officer counsel for the First Military Region. However, the army already offers an interesting array of social and job-training services, and the development of even more elaborate training missions is a possibility. These services are offered not only at the level of data processing and the VFI's and VEI's previously mentioned.

Every regiment has an office for social advancement and retraining (BPSR) with an officer counsel in charge. Le primary role of the BPSR is to be a receiving and orientation structure. Secondly it engages in two types of activities: one is internal in nature and is intended for the most disadvantaged; it provides elementary education by army teachers in night school. The other is external and operates under the National Correspondence School (CNEC); it offers secondary or university subjects to recruits who have requested it from the officer counsel. Some 4,700 young soldiers took correspondence courses in 1983.

Other, more specialized job training also exists. "We need mechanics, drivers, and designers, but we also need cooks and barbers," the major explains. "The task of Mr Army Job Training will be to match the soldier's abilities with our needs."

8782

CSO: 3519/420

MILITARY

STATISTICAL, MARKET OVERVIEW OF 'CASA' ACTIVITY

Madrid DIARIO 16 in Spanish 29 Jun 84 p 17

[Text] According to a statement made by Fernando de Caralt, president of Construcciones Aeronauticas, S. A. (CAS), yesterday at a meeting of stockholders, the company made a profit last year of 469 million pesetas. De Caralt indicated that owing to the paralysis of the market, losses of 731 million and 91 million pesetas respectively are foreseen for 1984 and 1985 and that, in 1986, the company will again make a profit of about 925 million. In 1989, according to the president, profits could exceed 8.9 billion pesetas.

Fernando de Caralt said that the company is preparing and discussing with the unions a plan for reorganization that presupposes the dismissal of 370 workers and the temporary establishment of a ceiling on employment of 1,370, all such employees being at the Getafe, Seville and Cadiz factories.

CASA sales during 1983 amounted to 39.556 billion pesetas, while orders at present are valued at 50.021 billion. Construcciones Aeronauticas now employs 9,836 workers and has factories in Madrid, Seville and Cadiz.

At a press conference, Fernando de Caralt said that the world crisis continued to have a negative impact on the sector in 1983 and that, in addition, this had been aggravated by sales to Latin American countries that were deeply in debt and short on liquidity. He added that, during the last fiscal year, no sales of military aircraft were made and only one Aviocar was sold in Spain and that he has great hopes for the construction of a new light tactical plane, which will be carried out in collaboration with three other countries.

He added that the maintenance of the U.S. F-4's has declined in recent months but that he hopes to get the contract for maintaining the F-15's.

De Caralt said that the stockholders approved withholding the payment of dividends and increasing capitalization before the end of the year and added that there is hope the great reverse in the market can be overcome within the next few years. With regard to the sale of 25 CN-235's to Turkey, he said that the operation has the disadvantage that our relations with Greece, which is Turkey's enemy, are excellent.

12336

CSO: 3548/284

ECONOMIC DENMARK

FAEROE ISLANDERS SEE OFFSHORE OIL CHANGING LIVES, ECONOMY

Stockholm SVENSKA DAGBLADET in Swedish 2 Jul 84 p 5

[Article by Ola Sall: "Faeroe Islands Facing a Choice of Paths: Offshore Oil Creating Both Concern and Optimism"]

[Text] Torshavn—The Faeroe Islands today are facing the most important choice in the country's 1,000-year history.

Either they take the step of becoming a new Nordic oil country, with all of the unknown consequences that an oil boom can bring, or they continue to live as a traditional and thriving, but isolated, fishing community.

The large oil deposits which the geologists suspect are located on the continental shelf of the Faeroe Islands have created both concern and optimism on the islands. Opposition against oil exploitation is strong. Many point to the Shetland Islands as a warning example, but the Faeroe Islands business community is sniffing the winds of what oil can give.

On Shetland, the closest neighbor of the Faeroes in the Atlantic, North Sea oil has created many sudden changes and problems in the Shetland community. The oil industry has attracted manpower both from the islands and from the south. Traditional businesses have been reduced to poverty. Prices have risen and the oil has killed fish and seabirds. Social problems on the Shetland Islands have increased.

The spokesman for oil exploitation is Faeroe Islands MP Pauli Ellefsen, who is leader of the Union Party [a moderate liberal, pro-Denmark party].

"We should at least let the geologists test drill to see if they are correct, which I believe they are. Oil can be the Faeroe Islands' chance to get away from the one-sided dependence on fishing," he said, and looked out through the window of his office on Tinganes, the old meeting place on a point in the capital. By the fish factory on the other side of the harbor the fishing fleet was unloading its catch.

Ellefsen can not yet say how he intends to get the oil exploration going. The question has been complicated by the rather striking self-government

agreement between the Faeroe Islands and the mother country Denmark. The Faeroe Islands are totally self-governing in everything except foreign policy and defense. The continental shelf, however, is under Danish sovereignty, even though Denmark makes no decisions about the shelf without the approval of the Faeroe Islands.

On the Faeroe Islands there is a majority in the Lagting, the islands' parliament, for the Faeroe Islands having the power of decision over the shelf. Pauli Ellefsen's party advocates, however, a so-called raw materials council on the Greenland model.

On Greenland, Denmark and the Greenland Home Government have established a council with equal numbers of Greenlanders and Danes in which the representatives of both sides have the right of veto on questions of the extraction of raw materials on the Greenland continental shelf.

Fixed Positions

On the Faeroe Islands the positions are still fixed. As long as they can not agree on whose behalf the oil will be extracted, all prospecting is at a halt.

Many, however, are pleased with things the way they are.

"They see what happened on Shetland, and I agree that developments there have been worrisome. But nobody says that developments here need to be the same," said Ellefsen.

"We are all in agreement that we do not want to have the oil come ashore on the Faeroe Islands. No refinery or other installation will be built which can create an oil boom for a time, and then leave a vacuum behind. It is important that we can set up other businesses so that the oil does not take over."

Ellefsen's party wants Denmark to participate in the oil exploration.

"It is better that we have the Danes as allies than if we turn everything over to the international oil companies, which we would be forced to do without Danish capital."

The political conflict on the islands about complete independence from Denmark has gone up and down for decades. Pauli Ellefsen has a very pro-Danish attitude for a Faeroe Islander, with a background as an accountant in Denmark before he moved home to the Faeroe Islands in 1971. He comes from a merchant family on Vagar Island, and was a fisherman and telegrapher in the merchant before he educated himself in Denmark.

After the election in 1980 he took over as MP when the Social Democrats fell after many years majority in the Lagting.

The former government conducted a policy of successive takeover by Faeroe Islanders of more and more community functions, including schools and the postal system. Ellefsen has put a stop to all further steps in that direction.

"We reject all further takeovers which can cost money. We are now avoiding the expense of a foreign ministry and embassies abroad. We can also utilize Danish universities and special hospitals."

The most important question in Faeroe Island politics is not, however, relations with Denmark, but how to protect the future of the islands' most important business: the fishing industry. The last decade has been characterized by a total readjustment of fishing as a result of neighboring countries in the North Atlantic, like the Faeroe Islands, having expanded their fishing boundaries to 200 nautical miles. This caused the large investments which the Faeroe Islands have made in the special equipment needed for fishing in Greenland and Iceland waters suddenly to become almost useless. Now they have gone over to fishing in home waters, running the risk that these waters will be depleted.

Record Catches

Despite the prophecies of the biologists about depleting the fish, the catches of the last 2 years have been record size. Ellefsen believes that this is due to a temporary climatic change, not to more intensive fishing.

For safety's sake, however, the Faeroe Islands have reduced the fishing quotas of the EC countries by half, to 25,000 tons per year.

"We must be very attentive to the risk of depletion," said Ellefsen. "For the time being we have a very large overcapacity in the fishing industry.

"In neighboring countries we see how the governments do everything to stimulate business. Here we are forced to do the opposite and hold back the expansion of the fishing industry. We should also renew the stocks of fish by enriching them with new species such as blue whiting and golden salmon."

9287

CSO: 3650/250

ECONOMIC

RESIDENT FOREIGN POPULATION GROWTH TO SLOW

Duesseldorf HANDELSBLATT in German 24/25 Jun 84 p 2

[Text] Frau Liselotte Funcke, representative of the Federal Government for the integration of foreign workers and their family members, has hailed the latest advance forecasts of the German Institute for Economic Research [DIW] on long-term population trends. Accordingly, the institute has made distinct corrections in its advance forecasts on the increase in the population of foreigners and the decline in the domestic population and, at the same time, it has confirmed the forecast already made in the March 1984 "Report on the Foreigner Policy," writes Ms Funcke in a press announcement.

According to current DIW calculations, the size of the German population will decline only limitedly through the year 2000, while the number of foreigners will presumably reach only 5.0 million instead of 6.6 million and will then stabilize at about this level. The DIW had previously assumed that one would have to expect more than twice that many, namely 10.3 million foreigners, in the FRG in the year 2030.

The new calculation is based on the determination that there has been a decline in the number of family members arriving and of persons seeking asylum, that migration out of the country continues at over 400,000 annually, that the birth rate of foreign families in the FRG is approaching that of the German population and that the death rate is gradually rising in accordance with the age structure of the foreign population.

According to the DIW forecast, the population of the FRG will decline from a total of 61.3 million in 1984 (including 4.5 million foreigners) to 59.7 million (including 5.0 million foreigners) in the year 2000 and 48.3 million in the year 2030, of whom 5.1 million will be foreigners. These forecasts do not consider how many foreigners, especially of the second and third generations, will have become so acclimated to living conditions in the FRG that they can become naturalized Germans.

9746

cso: 3620/367

INNOVATORS AIDED BY DIHT RESEARCH EXCHANGE

Bonn DIE WELT in German 4 Jun 84 p 2

[Article by Sabine Schuchardt: "Many Inventions Remain Unused"]

[Text] Bonn--A large part of inventions and research results lie unused in drawers. The Federation of Chambers of German Industry and Commerce (DIHT) laments the fact that sufficient attention is not yet being attached to conversion of technical innovations into marketable products in the FRG. Through its technology exchange, which can now look back on more than 2 years of being in operation and which is now used worldwide, the DIHT, in cooperation with the chambers of industry and commerce, wants to help new technologies achieve greater economic use.

The technology exchange has the task of establishing first contacts between those offering technical innovations and those seeking technology. According to the DIHT, it is small business in particular that, other than state assistance, should receive help from this organization in marketing their new products.

The enterprises that belong to the chamber have the opportunity to place their technology offers and requests without cost in a list published by the DIHT and updated every 6 months. Not only complex top technologies but also a wide range of detailed technical solutions have access to the exchange and, as shown by polls of individual chambers, they encounter the lively interest of enterprises that are seeking technology.

At the present time, about 2,000 technology offers and requests are listed on the exchange, about 4 times as many as there were 2 years ago. Since this year's Hannover Trade Fair, where the DIHT and the chambers of industry and commerce began a pilot project for worldwide technology mediation, they are stored in an international data bank and from there they are on call anywhere in the world.

For the future, the DIHT is also considering disseminating technology offers and requests over Videotex. The frontier-crossing cooperation is to be strengthened through the inclusion of the German foreign trade chambers in the mediation work of the technology exchange and through technical cooperation with the national agencies of other countries such as Canada, for example, where such cooperation already exists.

9746

CSO: 3620/367

ECONOMIC

BRIEFS

DIHT REJECTS UNITARY POLICY--Luxembourg--Otto Wolff von Amerongen, president of the Federation of Chambers of German Industry and Commerce (DIHT), has rejected a general industrial strategy for the EEC. Such a policy, he believes, cannot get to the essence of the existing problems, because the causes for technological backwardness differ from country to country and from enterprise to enterprise. The more that subsidies are dispersed, the less effective monetary expenditures would be, indeed, the more they would be wasted. On the other hand, however, the more deliberately aid is given, the more one is intervening in the national economies, whereby only the "slowpokes receive any financial advantages," stressed Wolff before the general meeting of the German-Belgian-Luxembourg Chamber of Commerce. But those enterprises and companies that achieved progress through their own efforts and through correct economic policies have been put to a disadvantage lately because they have to provide financial support to those left behind. The DIHT president literally: "Our enterprises and branches must prove themselves in hard competition within and outside the EEC. No industrial nation has ever achieved success in the world market by being easy on itself." [Excerpt] [West Berlin TAGES-SPIEGEL in German 8 Jun 84 p 13] 9746

MECHANICAL ENGINEERING ORDERS RISE--Orders to the West German mechanical engineering industry rose by 15 per cent in real terms in May against a year earlier, despite the metalworkers' strike which began the same month. While foreign demand jumped by a real 19 per cent, domestic orders were up only 10 per cent--possibly reflecting the first impact of the metalworkers' stoppage. Only the figures for June will give clear evidence of how far the strike has affected the sector, the country's second biggest branch of industry in turnover terms. However, it is already plain that the vehicle industry (the biggest sector), has suffered most from the strike with production losses coming close to 400,000 cars and lorries. A survey released today shows that at least until shortly before the strike began, West German industrialists, buoyed by last year's improved profits, were planning to boost their fixed asset investment markedly. According to the survey, taken in March and April, investment was likely to rise by about 2.5 per cent in real terms in 1984 after virtually stagnating last year. It remains to be seen whether the strike has altered these investment plans--perhaps even brought a rise in investment to rationalise as a result of increased costs caused by the stoppage. [Text] [London FINANCIAL TIMES in English 5 Jul 84 p 2]

cso: 3620/367

ECONOMIC

BOTH INFLATION. JOBLESS RATES SHOW IMPROVEMENT

Helsinki HELSINGIN SANOMAT in Finnish 16 Jun 84 p 21

[Article by Kristiina Ritvos]

[Text] Finland's inflation rate plunged very clearly in May, a development that has been eagerly awaited. The annual rise in consumer prices was recorded at no more than 7.4 percent, whereas in early spring a good 8 percent was in progress.

The May rate is now the lowest in 5 years here too. Five-year inflation records have been recorded in one or another Western country before.

More of the same good news is forecast for June, that is, the annual rate may even drop below 7 percent. This is mainly being produced by the fact that the sales tax was raised last June; similar pressures of the same magnitude are not now evident.

As such, May was no moderate month for prices, rather this year's worst. According to Statistics Center calculations, consumer prices rose all told 1.1 percent.

The biggest scapegoat this time was housing, which is figured in with the consumer price index only four times a year. Due to the general increase in the spring, housing costs raised the May index 0.7 percent. Lesser price-raising pressures were produced by meat products, barber and hairdresser fees, clothing and stored vegetables. Cars and conducted tours, on the other hand, became cheaper.

Wage hikes generally drifted slowly toward prices in all other sectors but construction, in which the rising cost of labor is immediately apparent. That is what happened in May too and, largely due to wage hikes, the annual construction cost index rose 7.5 percent.

OECD Inflation Almost Unchanged

Inflation in Finland is now starting to move toward an ambitious and, in the opinion of many, even possible 6-percent objective. At the same time inflation in the Western industrial countries, the so-called OECD area, is gradually increasing.

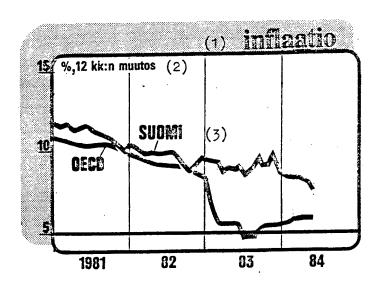
The latest figures on April, to be sure, tell us that the OECD inflation rate dropped slightly and was 5.7 percent. Before then it had remained at about 5.8 percent for a couple of months.

The United States, where an annual rate of only 4.5 percent was recorded in April too, is exerting considerable pressure on overall OECD inflation.

Price rises in the European OECD countries, on the other hand, slightly accelerated and were at 8.2 percent in April.

Finland is moving toward inflation figures lower than the average for the European OECD countries, although they have remained higher than the average for the entire OECD.

The situation, at least so far, appears to be moving in the other direction for Sweden, which in April recorded a rate of price rises of 8.8 percent. Sweden has indeed employed tough weapons in its campaign against inflation and it is precisely their effects that do not yet show in the statistics.



Key:

- 1. Inflation.
- 2. Percentage, change over 12 months.
- 3. Finland.

Unemployment Declines

Unemployment again declined in May and a gloomy April was obviously a confused, strike-filled deviation within a brightening development.

At the end of May there were easily 115,000 jobless, which is the lowest number since summer of 1981. At the same time the unemployment rate, or portion of the entire labor force that is unemployed, dropped constantly to 4.5 percent.

Despite the fancy figures, the economically conditioned decline in the number of jobless is a frail situation. Stripped of seasonal fluctuations or so-called conjunctures unemployment has been more or less stagnant for the past 3 months.

The help wanted ads in the HELSINGIN SANOMAT have faithfully been following other employment developments and have also remained uniform these past few months.

Jobs for 29,000 in May

In May unemployment card files were thinned out by fully 29,000 people. Some of this group might have found work as early as April were it not for the rash of strikes.

At any rate, May's 115,000 jobless are 7,000 less than a year ago. Unemployment figures for the first half of the year — with the exception of April — were roughly this much better-looking in comparison with last year's.

There are now fewer jobless in all industries except construction work, for which the card files are thicker than they were a year ago. The construction sector's period of frenzied activity is behind it, although in the industry they prefer to speak of normalization of the situation rather than recession.

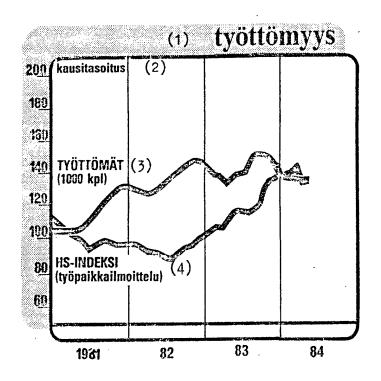
The signs indicative of improving economic situations are also obvious. In May the number of laid-off workers dropped to half of what it was in April, to 7,800, and there were clearly less of them than a year ago. Also, the number of workers putting in a shortened work week dropped in comparison with both April and last year.

Labor Supply Still Growing

In the early part of the week the Labor Ministry again took note of the unpleasant fact that, despite an increasing number of jobs, on the whole employment will not improve in the near future. The ministry dug an old survey out of its file cabinet, in which it was ascertained that the situation would not be eased until the large age groups end.

Right now the economic upswing and through it improved hopes of getting work are also apparently luring jobseekers, or more elegantly put, the labor supply, into employment agencies.

In many countries they also expect to have worsening problems since more and more women want to work. In Finland the relative number of working women has for a long time now been among the highest in the Western countries, so the same sort of assault is not to be feared in that domain.



Key:

- Unemployment.
- Seasonal adjustment.
- Jobless (in thousands).
 HELSINGIN SANOMAT index (help wanted ads).

11,466 CSO: 3617/189

ECONOMIC

HIGH TECHNOLOGY GROWTH CHALLENGES TRAINING CAPACITY

Helsinki HELSINGIN SANOMAT in Finnish 26 Jun 84 p 22

[Article by Jouko Marttila]

[Text] More high-tech experts are constantly needed. The demand for labor exceeds the supply and even young, college-trained engineers are raising their prices: 10,000 and a company car.

The electronics industry and firms that sell data-processing equipment and system services are expanding their markets at an annual rate of 25 percent, but a constant shortage of "brainpower" is gnawing away at the growth peak.

The great demand for experienced and highly-trained automatic data-processing (ADP) professionals has also raised the levels of remuneration demanded by young and inexperienced job applicants. After a year's work experience, we may read: 10,000 and a company car, in a system planner's wage demand.

Data technology labor markets have become overheated. Firms wage structure has gradually begun to get distorted, the discussion of additional benefits has increased and the use of students as cheap labor multiplied. More and more they are resorting to additional training and retraining within the company.

The Lohja Company is investing heavily in the development of a new display technology based on electroluminescence. They expect the production of display boards and panels to increase 50 percent within a few years time.

"So far, we've managed to meet the competition, but problems are to be expected. The pressure on us to grow is particularly strong and our biggest problem is getting skilled electronics personnel for planning and application tasks," Lohja personnel manager Hannu Pekka Ihatsu said.

"The situation is made even worse by the fact that the people we are looking for are college-trained engineers or more highly trained than that. We even need licentiate or doctoral-level personnel for product development."

Nokia Electronics Division administrative director Raimo Nordfors admitted that getting skilled personnel is a bottleneck that must be taken into account in planning future growth.

"The ways of solving the problem are additional training and increasing company productivity by developing methods of operation and automation. Technical innovations like the one we see in the example set by MOBIRA [expansion unknown] are our weapons in international competition."

Almost half of Nokia Electronics' sales volume comes from foreign operations. Raimo Nordfors estimated that personnel growth needs during the next few years would amount to from 200 to 300 experts who have completed their college degrees.

Training Without Assistance

They have tried to fill the gap left by the shortage of personnel in the electrotechnical industry and in firms specializing in data processing with internal retraining and supplementary training.

This fall Nokia will start its own school, for which 20 students who have received training in subjects other than data processing have been chosen. About 300 attended the Nokia training course, which lasted 6 months.

"Our purpose is to on our own train data-processing experts as well as university-level business college graduates, economists, mechanical engineers and even political scientists," administrative director Raimo Nordfors said.

In addition to the electrotechnical industry, internal training is a familiar business to firms that sell equipment and system services. The Finnish IBM trains its people at a joint Nordic country center in Stockholm, Nixdorf also gives courses to all of its new employees and Tietotehdas accepts new groups for training semi-annually.

The supplementary training given by the company and the wage terms that go with it do not, however, prevent absorption in the business world — buying people from one firm for another, but as bids rise, requirements have also increased.

Balancing the Wage Policy

According to the information industry, which is now experiencing a strong upswing, jumping young employees often force employers to walk a tightrope. On one side of the gulf the newcomers press them with their tough wage demands and the other side the old employees stand there together amazed, waiting with their jobs for them to fill them.

"We must observe a certain balancing of the wage policy. The wage structure cannot withstand major upheavals, so, when we assign wages to new personnel, we must take into account the wage level of older employees," Nokia's Raimo Nordfors said.

"We often have to say 'no' to wage demands that are too high. Discussion of employment benefits has also increased."

The Lohja Company's personnel manager, Hannu Pekka Ihatsu, said that demands varied with the job, but that in general a well-trained professional's wage demand begins at least at level one (of highest professional salary scale).

"How much beyond the level one salary we go depends on the education and experience of the person in question."

Sliding wage scales in purely equipment and service sales companies are similar. Nixdorf's administrative director, Ossi Laamanen, said that inexperienced job applicants at times even go to excesses in their demands.

"Bringing matters to a head, we may say that, after a year's experience on the job. these young fellows demand 10.000 and a car." Laamanen said.

"We have in part resolved the tough labor market situation in Southern Finland by dispersed placement. For example, we set up a subsidiary in Siilinjarvi, where we filled the jobs without any difficulties. The general wage level in development areas is also lower than in the south."

The biggest problem at Tietotehdas, which switched to being a stock-exchange company early this summer. is finding experienced personnel.

"We constantly train additional personnel for ourselves, but our annual need for system workers is 15 percent and the turnover is great, so there are problems enough. Furthermore, the wage demands of even less well-trained people are often unreasonable," Tietotehdas administrative director Martin Lilius said.

Teacher Shortage Biggest Obstacle; ADP Training Being Developed

With the rapid breakthrough in information technology, the nation's training resources have been incapable of meeting the growing demand in industry and trade.

In a short time the need for engineers specializing in data processing and college-trained engineers has many times over exceeded the supply. At the present time less than 100 ADP experts a year are trained at technical colleges and institutes.

It is difficult to estimate the actual magnitude of this high-level labor short-age because equipment sellers and firms that sell system services also compete with the electronics industry for the same people.

A poll of electronics, instrument and telephone industry companies commissioned by the Labor Ministry and the Industrial Confederation, which indicates that the higher the training level we move up to, the greater the additional need, nevertheless opens vistas in one direction. The greatest pressure applied by the demand is focused on the capital district and in individuals who have received technical training.

On the basis of the poll, the need for workers who have completed their college degrees will have grown by 60 to 80 percent by 1988 and the demand for those who have received mid-level training will be from 20 to 50 percent greater than at present. On the other hand, the percentage of the labor force accounted for by phase workers will during the next few years remain unchanged or may even occasionally decline. Most of the electronics firms that responded in the

poll felt that the financial arrangements in obtaining experienced and welltrained workers constitute a more difficult problem.

Measured in terms of number of employees, over half of the Finnish electronics, instrument and telephone industry responded in the poll of firms. All told these branches of the industry employ nearly 30,000 people.

Additional Training Resources

The training in the field of ADP launched by company and private schools is a sign of the national government's slowness to react to rapid changes. Plans to concentrate resources more and more on data-processing training do exist, but at all levels, from elementary school to the university, they run up against the same wall: Lack of teachers.

At Ministry of Education, University and Science Department research scientist, college-trained engineer Keijo Makela regards the situation as tolerable despite everything.

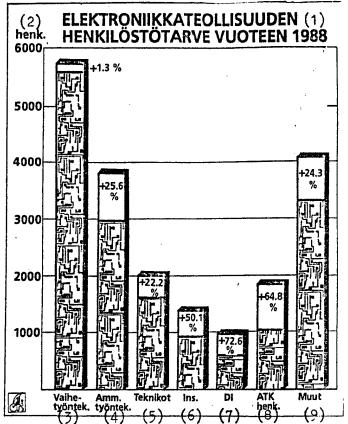
"The training of competent new teachers has not succeeded in the hoped-for way, but developments may otherwise be regarded as favorable. Instruction in ADP has now been stepped up at the University of Helsinki and the Technical College," Makela said.

"Over a longer period of time the demand for more highly-trained people will level off, which is why it pays to advance on a broad front and increase instruction in ADP within the different branches of study."

Two years ago the Education Ministry recommended to the universities and colleges that they make internal transfers of positions in favor of data processing, but no changes were produced because each faculty wants to preserve its former positions.

There are about 350 seats for beginning students in data processing in our universities. An estimate of personnel needs for the decade tells us that nearly an additional 2,000 ADP people a year who have completed their college exams will be needed. At the present time the entire Finnish university and college establishment produces over 10,000 graduates a year who have completed their basic exams for the labor market.

At the same time over 1,000 academic jobless are looking for work.



Työvoimaministeriön ja TKL:n tekemä yritystiedustelu osoittaa laitteiden valmistukseen ja suunnitteluun elektroniikkateollisuudessa osallistuvien diplomi-insinöörien kysynnän olevan kaikkein suurinta lähivuosina. Melkein yhtä paljon kasvaa puhtaita tietojenkäsittelytehtäviä hoitavien henkilöiden tarve.

Key:

- . Electronics industry personnel needs until 1988.
- 2. People.
- 3. Phase workers.
- 4. Professional employees.
- 5. Technicians.
- 6. Engineers.
- 7. College-trained engineers.
- 8. ADP personnel.
- 9. Others.

The company poll commissioned by the Labor Ministry and the Industrial Confederation shows that the demand for college-trained engineers who participate in the manufacture and planning of equipment in the electronics industry will be greatest of all during the next few years. The need for persons who handle just data-processing tasks will be almost as great.

11,466 CSO: 3617/189 ECONOMIC

ELECTRIC AUTOMOBILE BEING DEVELOPED BY DOMESTIC INDUSTRY

Helsinki HELSINGIN SANOMAT in Finnish 29 Jun 84 p 29

[Text] Porvoo (HS)—Right now engines are being installed in domestic electric autos at the Neste [state oil company] research institute in the rural community of Skoldvik near Porvoo.

They are installing electric engines built by Stromberg-built electric engines—which develop a capacity of just under 30 HP—are being installed in Talbot Horizons assembled in Uusikaupunki.

The job of installing the engines should be completed between August and September, after which the cars will be moved to Stromberg for further work.

According to the present schedule, the domestic electric auto should be in operation by the end of the year, when Neste and the Imatra Power Company (IVO) will each get their own autos for test operation.

In addition to Neste and IVO, the Institute of Technology, Saab-Valmet, the Trade and Industry Ministry and Kymi-Stromberg are participating in the project.

With the electric auto project they are trying to obtain domestic experience regarding the potential of electric power as an energy source for operating cars. At the present time they calculate the total cost of the entire project will come to 1.5 million markkas. The Trade and Industry Ministry has granted 600,000 markkas this year for the project.

The biggest problems in developing an electric auto are in the battery and electronics technology, Doctor of Technology Markku Loponen of Neste told us.

"As for the batteries, we are trying to see to it that we can drive an electric car about 100,000 km with one set of batteries. At present we have gotten it to do about half that."

Nineteen batteries are required in the Finnish electric auto. Their cost is estimated at from 5,000 to 10,000 markkas. The electric auto requires special batteries. They are at present being developed at Pakkasakku.

The engine of the Finnish electric auto prototype is a tuned version, built at Stromberg, of a standard-model electric motor. Developing a capacity of 27 kw

and 1,500 RPM, the engine weighs over 100 kg. According to Doctor of Technology Loponen, the weight of the engine can apparently be reduced considerably with further development.

The electric auto's batteries, however, will probably continue to be very heavy, which also means that the body of the electric auto should be sturdily made. The batteries of the prototype weigh just under 400 kg and the entire auto weighs about 1.500 kg.

Range of 80 to 100 Km

As far as the body is concerned, the Finnish electric auto does not differ from an ordinary Talbot. They plan to tune the cream-yellow car in accordance with the very latest model, provided they whip the technology into shape.

A transmission is also acceptable because of the car's own technical design. But in future, however, gears will hardly be needed. The electric Talbot will be driven almost entirely in third and on the highway at its best in fourth, in which gear it will attain a top speed of perhaps $80~\rm km$ an hour. Depending on the electric accelerator use, the range is from $80~\rm to$ $100~\rm km$.

After that, 12 hours of charging time are required. Thus long, uninterrupted trips cannot be made with the electric auto.

In Doctor of Technology Loponen's opinion, the electric auto is best suited to service traffic in the cities, for example, mail distribution.

The fact that the electric auto is in itself pollution-free is an advantage in city driving. The electric engine is also fairly noiseless.

A long-lived electric car can also be developed because an electric engine withstands even long use.

According to French calculations, it costs 5 markkas per 100 km to drive their electric auto. On the other hand, research on our domestic electric auto is in such a preliminary phase that we cannot say anything for certain about costs given the situation in Finland.

Operating an electric auto under northern conditions is troublesome, among other reasons because the batteries have to be kept warm in winter as well. An electric auto also needs its own fuel-operated heating system for the car interior.

Finnish Research Under Consideration in Paris

An international electric auto exposition is currently in progress in Paris, in which the Finnish project head, college-trained engineer Heikki Tikkanen, among others, is participating. He told us about the current state of Finnish research in France as well.

The Finns can, among other things, report on how they are using an alternating current technique, which is a relatively new development in the field.

So far, direct current motors have chiefly been used in electric vehicles.

The high price of control electronics was a deterrent to the widespread use of alternating current motors. The development of electronics has constantly lowered the price. In addition to the Finnish project, there are at present only a few other development projects in the world in which alternating current is used in electric vehicles.

11,466 CSO: 3617/189 ECONOMIC

YOUTH JOBLESS RATE REGISTERS GAINS

Helsinki HELSINGIN SANOMAT in Finnish 1 Jul 84 p 7

[Text] During the first quarter of the year Finland's labor force grew by about over 1 percent in comparison with the same period last year. Unemployment figures remained pretty much unchanged. The number of jobless young people, however, decreased by about 7,000 from that of last year and the percentage of all unemployed represented by young people dropped from 29 to 25 percent, as revealed by a Statistics Center labor survey.

During the first quarter the number of jobless youths averaged 42,000, 26,000 of whom were men and 16,000 women. The unemployment rate for youths, just under 12 percent, was nearly 2 percent less than last year's.

The unemployment rate for those over 60 years of age, on the other hand, rose by a good 3 percent over that of last year. The majority of jobless in this age group are on unemployment pensions and their number has significantly increased since last year.

The highest rate of unemployment, nearly 16 percent, was in the construction industry and the next highest. 14 percent, was in the lumber industry.

Unemployment increased most in the service industries as well as in the financing and insurance sectors. The number of industrial and farm workers, however, decreased by just under 2 percent.

The highest rate of unemployment, 13 percent, was in the province of Lapland. In the province of Oulu, during the first quarter the unemployment rate was over 11 percent and in both the provinces of Kuopio and Pohjois-Karjala about 10 percent.

11,466 CSO: 3617/189 ECONOMIC

LABOR, MANAGEMENT GLOOMY ON PROSPECT OF NEW 'SOCIAL PACT'

Madrid DIARIO 16 in Spanish 5 Jul 84 p 5

[Article by Jose Sanchez]

[Text] Now that the starting gun is about to be fired to begin negotiation of a new social pact for the next 2 years, so as to restore social peace to the country and avoid the level of conflict registered this present year, the three key participants in the negotiations all share a very skeptical attitude.

Beginning next week intense meetings will take place between representatives of the CCOO [Workers' Commissions] and UGT [General Union of Workers] unions and the employers' organization CEOE [Spanish Confederation of Business Organizations], at least if the advice, or better yet the wishes of Superminister Miguel Boyer are followed. He has stated on more than one occasion that the social pact should be concluded by the end of this month. The union leaders do not agree with the proposed time frame, especially because they believe that there will not be enough time to deal with the topics which at least the workers' organizations want to place on the negotiating table.

CCOO

Yesterday the last obstacle to beginning the conversations was finally overcome. It had been expected that the CCOO would first hold its general congress, and later form its secretariat, thus making it possible to convene the first meeting of the social groups.

The new executive board of the CCOO, which was formed yesterday morning, and which has a genuinely "moderate" make-up, spent the whole afternoon yester-day discussing the main guidelines which are going to govern the men to be appointed by this organization to negotiate the social pact.

Today the CCOO will almost certainly respond to the invitation which the UGT made to it on Tuesday after the meeting of its executive board, to hold a preliminary bilateral meeting, in which the two labor unions will disclose their negotiating cards, and propose topics which should be debated at the negotiating table.

The Workers' Commissions, which have responded positively to this invitation—although at the same time they have expressed their regret that it came through the information media and not directly—will today call on the UGT to propose that this first meeting take place this very day.

But in spite of the fact that all the representatives say they are in favor of beginning the negotiations as quickly as possible, skepticism has increased as the date of the first meeting—which has not yet been specified—approaches. Not only has the CCOO declared over and over again that it will not sign any agreement with "a drop in wages," and is even less likely to do so if the economic policy of the government is not changed. Now the UGT has also come out and said that the pact will be very difficult to implement.

UGT

To be specific, the general report presented by Nicolas Redondo in the confederal committee of this organization last Friday stated that "Frankly, we say that the prospect is not good for the negotiations to end successfully, because on one hand we have the same rigidity in the government's position on wage increases, and on the other they are offering us a loss of purchasing power for 1985, without any clear compensation in social benefits which would guarantee the aggregate wages of the workers."

On the basis of these arguments, which in their general outlines agree with those stated by the CCOO, it appears obvious that the pact will be more difficult to arrive at than ever.

The prime minister, Felipe Gonzalez, declared not long ago that he was encouraging the agreement and was urging that negotiations take place. This determination shown by the prime minister to achieve a social pact was received at first with enthusiasm, even by the leaders of the CCOO themselves. However, expectations, at least of the union participants, have been gradually diminishing.

Conditions

The fact that a position which is more clearly in favor of a policy of reconciliation and social agreement may have won out in the CCOO does not either mean or guarantee that this organization will give its stamp of approval. Rather the opposite, because the strongmen of the CCOO, Antonio Gutierrez and Agustin Moreneo, want to prove to the 40 percent of the union which has come out against any type of agreement that their position favoring a policy of cooperation did not mean "selling out at any price. We will only sign an agreement if the government is capable of changing the direction of its economic policy, which would offer real improvements and compensations to the workers' demands."

Specifically, the CCOO yesterday approved the points on which negotiation of the pact must center. In the document approved by the new executive

board the CCOO states that, in the first place, a different economic policy is needed.

In the second place, they come out for a policy of solidarity in finding a negotiated solution to the economic crisis. "For this we need a policy which creates employment, creates economic development, emphasizes solidarity, is fair, and is more participatory."

These five points form the program of the CCOO. Regarding employment, they will demand an increase in public investment, the creation of a solidarity fund, retirement at age 64, and a 38-hour work week by 1986. On the subject of economic development policy, they champion integral agrarian reform, industrial reconversion and administrative reform. Also, an increase in unemployment coverage, the readjustment of pensions and the rationalization of social security, together with reform of the Workers' Statute, will make up the central questions in the discussion.

These conditions do not differ substantially from those proposed by the UGT. For this very reason it is easy to predict that it will be almost impossible to reach an agreement, because it is evident that the key topics have an obvious impact on the economic program of the government, which is continuing to demand wage cuts and measures directed toward not increasing the public deficit over the next 2 years.

Lately top leaders of the UGT have been heard commenting with a certain amount of uneasiness that "we must keep the UGT from being the one who pays for the government's broken dishes."

This phrase began to circulate in San Bernardo, headquarters of the union, just after the recent election results from Seat and Gas Madrid were announced, where the socialist union lost control to the CCOO, which has taken over first place.

This fact, which according to what they say does not by any means constitute a preview of what will happen in the 1986 elections, still does, however, sound a warning bell which has made the socialist union's cadres nervous. Thus it is difficult for this organization to give in very much in negotiating the agreement. And as a good recent example, there is the lack of an agreement this year, just when the UGT was in a better condition than ever before to soften its positions.

CEOE

On their part, the CEOE businessmen, who also have demonstrated their wish to begin negotiations, see difficulties ahead in reaching an agreement. The men of the CEOE also do not want to be pressured or to take any false steps, and they have stated: "The initiative is either going to come from the government or from no one." And so, like the unions, they are hoping that there will be a call from the Moncloa or from the Ministry of Labor. Juan Jimenez Aguilar, secretary general of the CEOE, thinks the key topics will be: "Financing of the businesses (we have to get the interest rates lowered),

making the labor market more flexible, reform of social security, and of course the fight against inflation, and the control of wages." In short, the employees are demanding a complete revision of the budget strategy as an essential condition. Faced with this prospect, and with the limited room to maneuver which the government's economic program allows, especially as regards the public deficit, it appears it will be difficult to obtain the desired social pact.

Joaquin Almunia, the man who will be in charge of the negotiations, has declared that "the only possible counteroffer is jobs, because the other compensations, such as unemployment coverage, pensions and union laws have already been granted."

Now the swords are drawn. The rumors of a government crisis may, for obvious reasons, change the timetable which was originally anticipated.

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CSO: 3548/291

ECONOMIC

FERNANDEZ-TAPIAS ON MERCHANT MARINE CRISIS

Madrid ABC in Spanish 8 Jul 84 p 68

[Article by Fernando Fernandez-Tapias: "The Spanish Merchant Marine: Between Crisis and Hope"]

[Text] The sea is always an issue of concern in Spain. For geographic, historic, economic and political reasons the sea has played and still plays a major role in the country's life, even though it seems, unfortunately, that the Spanish people have often turned their backs to this indisputable fact.

Spain's Merchant Marine occupies a prominent spot among the world's fleets. Spain's total fleet is the 12th largest, and its oil tanker fleet is number 10. We also have one of the most modern fleets, as we are in fifth place in terms of vessels less than 10 years old.

The Spanish Merchant Marine is in crisis, partly because of the worldwide crisis but partly of domestic origin as well. The worldwide crisis is largely a consequence of the energy crisis. A few figures will illustrate the problem. Whereas world trade declined over the past 10 years from 15.444 trillion ton-miles to 13.18 trillion, the world fleet grew from 440 million deadweight tons to 632 million. The upshot of this imbalance between supply and demand has been collapse of freight charges, an increase in the number of decommissioned vessels and a speed-up in the dismantling of ships.

The situation in Spain is more serious if we take into account a series of factors weighing on shipowners when they compete with their counterparts in other countries. A Spanish shipowner is forced to acquire his vessels from Spanish shipyards, which charge him more than foreign shipyards would and more, in fact, than they charge his foreign competitors. Moreover, Spain's shipowners have to pay the Enterprise Commerce Tax. They also have to insure their ships with Spanish insurance companies and make repairs and purchase supplies here. Therefore, their operating costs are under greater pressure than those of shipowners from other countries.

The Association of Spanish Shipowners has explained the problem clearly to our authorities and is waiting for the government to enact the emergency measures that it is currently studying to eliminate some of these disadvantages, thus enhancing competitivity and promoting the fleet's future growth.

Though it might seem paradoxical, Spain has a chance to emerge from this worldwide crisis in perhaps better shape than other countries. This is due precisely to our status as a maritime nation, inasmuch as 90 percent of our foreign trade, imports and exports alike, is maritime. Our vessels would only have to carry a greater percentage of this trade, inasmuch as at present the Spanish Merchant Marine's share of total maritime imports is 46.1 percent and 13.3 percent in exports. Some of our imports involve heavy volumes, such as soybeans, where our share is just 6.7 percent, or coal, 17 percent. If we manage to boost these percentages, we will cut the number of tons decommissioned for lack of work, which currently total 1 million deadweight tons.

We might also create new business for domestic shippards, which have practically none at present. We must not forget that over the past 10 years our shippards have depended on Spanish shipowners for 60 percent of their orders.

In summary, Spain's shipowners are proposing the following to the government. In the short run, in order to halt the shipping companies' decline and the decommissioning of more vessels, their financial balance must be restored by rescheduling their loans in accordance with current freight market conditions. Also, operating efficiency must be improved; this could be done by using tax breaks to compensate for the extra cost of flying the Spanish flag and by setting quotas for bringing in our main imports on national-flag vessels, which would always seek to provide efficient service to clients.

What shipowners want in the medium and long run is to make our fleet competitive internationally. To this end, we must have access to world markets for new or second-hand ships (if the prices charged by domestic shipyards are competitive, Spanish shipowners will unquestionably not build overseas); fleet insurance must be loosened up, as is the internaitonal custom; world prices for marine fuels must be charged, and our crews must be able to run our technologically advanced ships. Nevertheless, we must take into account that because of the high unemployment among ship crews, we cannot for the moment hire third-country crews as the developed countries customarily do. Compensation should at least be provided in this regard so that it does not hinder our ability to compete internationally.

If we want Spain to have a Merchant Marine, the current situation cannot continue. It now seems that the government has realized how serious the problem is. Spain's Merchant Marine currently provides 27,000 direct and 69,000 indirect jobs and is a 215-billion peseta a year business. If it were competing on an equal footing with foreign fleets, it could pump some \$1.2 billion a year into the Spanish economy.

I want to make it clear that Spain's shipowners are not asking for privileges. What they are asking for is an end to the disadvantages at which they are competing with their counterparts in other countries. If for national interest reasons other sectors have to be protected, it should not be done at the expense of the Merchant Marine, and compensatory formulas must be sought that will enable this vital national activity to expand. We are awaiting decisions. That is why Spain's shipowners are torn between crisis and hope at the moment.

8743

CSO: 3548/293

ECONOMIC SPAIN

SURVEY OF JOB REDUCTIONS RESULTING FROM RECONVERSION

Madrid ABC in Spanish 8 Jul 84 p 62

[Article by Jose Antonio Vega: "Industrial Reconversion To Cause Layoff of 60,000 Workers"]

[Text] Madrid--Spain's industrial reconversion must be completed by late 1986, because of the speed-up in the negotiations for entry into the European Economic Community, which is scheduled theoretically for 1 January 1986. This is the conclusion reached by a report in the magazine SERVEX, which is published by the Banco de Bilbao. The payroll cutbacks in the 7 sectors involved will hit 60,000 workers.

The Reconversion and Reindustrialization Bill, which is now before the Congress of Deputies and will be debated in September, calls for investments of 955 billion pesetas, half of which will be earmarked for the integrated steel industry (which will also suffer the sharpest payroll cuts), shipbuilding and capital goods.

ENSIDESA [National Iron and Steel Enterprise, Inc], Altos Hornos del Mediterraneo and Altos Hornos de Vizcaya, the nation's three largest integrated iron and steel companies, will receive 544.22 billion pesetas, including additional capital, government and private credits and subsidies from the Industry and Energy Ministry. The reconversion in this sector will reduce current payrolls by 27.3 percent, about 9,730 workers.

The special steels sector, which has already begun the second stage of its reconversion after adjusting output to demand, has been divided into two operating groups (Aceros de Guipuzcoa and Acenor) and will jointly invest 22.98 billion pesetas from now until 1988. By that date, 3,413 jobs are scheduled for elimination; some 30 percent have already been cut, so far affecting 1,783 workers, a number of early retirees and others who will swell the ranks of the special employment funds.

Shipbuilding has also been divided into two subsectors under the reconversion. The large shippards sector will limit its output to vessels of more than 8,000 deadweight register tons, while the small and medium shippards would launch vessels up to 10,000 deadweight register tons. The administration pledges to grant non-reimbursable subsidies up to 25

percent of investment requirements. The remaining 75 percent will take the form of government loans carrying an 8 percent interest rate and a 12-year payback period. These are the steps being taken to save a major production sector in Spain that is in virtual financial bank-ruptcy, according to sources in the Industry and Energy Ministry itself.

The reconversion of large household appliance production, a program from which certain companies have excluded themselves, will eliminate around 1,440 jobs and require investments of 36.96 billion pesetas.

Textile production will require overall investments of 150 billion pesetas for its restructuring, which 358 companies have already agreed to.

There are two main reconversions in the automobile industry. The first is SEAT [Spanish Passenger Car Company, Inc], which lost 35.7 billion pesetas during the 1983 fiscal year. The general state budget has already allocated 57.8 billion pesetas to be invested in the company, in addition to an investment program of close to 100 billion pesetas over the next 5 years. In 1980, SEAT had a payroll of 31,700 workers; it now has a staff of about 25,000, and another 5,000 workers are expected to be laid off by the end of this year.

| Sector | Payroll Cut |
|---|-----------------------------------|
| Integrated Iron and Steel Special Steels Shipbuilding | 9,732 3,413 17,000 |
| Large Household Appliances Textiles Automobiles Capital Goods | 1,446 5,900 19,100 2,900 |
| Total | 59,491 |

8743

CSO: 3548/293

ENERGY FINLAND

NEW ENERGY AGENCY CHIEF ON POWER NEEDS. FIFTH NUCLEAR PLANT

Helsinki HELSINGIN SANOMAT in Finnish 16 Jun 84 p 21

[Article by Jouko Marttila]

[Text] The new head of the Trade and Industry Ministry's Energy Department and holder of a degree in political science, Taisto Turunen, listens to the heated debate over nuclear power that is going on in Finland very calmly.

Appointed to his post as an independent, Turunen looked out of the window of his office on Kasarmintori and said that the final decision for or against nuclear power is in the hands of Parliament.

"It's unnecessary to organize a referendum. Not because people are stupid, but because Parliament ought to reflect the will of the people."

On Friday, his first day, used to department head duties, the former head of the Planning Office had not quite had time to familiarize himself with his work. His desk was still cleared and a red rose slipped into a champagne bottle filled with water reminded us of the congratulations of those he had received.

The sudden death of his predecessor, Erkki Vaara, did not leave the department head time enough to familiarize himself with his areas of responsibility.

"For a long time I had been busy with my own office's plans involving the energy economy and the situation that led to my appointment arose quite suddenly.

"The Planning Office is only one of five departments, so there are plenty of areas left that I am unfamiliar with. One of these is the nuclear energy law," Turunen said.

However, 10 years in the service of the ministry have provided him with a solid general familiarity with the energy policy.

Electricity Needs Growing

Taisto Turunen has a clear picture of the essential guidelines for energy consumption.

"The consumption of oil is declining at the same time as the growth of overall energy consumption is diminishing. Electricity's share will on the contrary increase, but how electricity is to be produced is still a controversial question."

The suitable alternatives for concentrated energy production are nuclear and coal power.

"Of the two nuclear power is the more advantageous alternative, but neither is outstripping the other. In the long run everything is uncertain and in making decisions it is hard to predict future price relations." Turunen said.

The construction of the planned 1,000-Mw nuclear power plant would be the biggest single industrial investmenet ever made in Finland. "Our job is to set policy and make preparations. We don't make big individual decisions, but we can influence differences of emphasis in decisions," Turunen said.

"However, we need energy because there is no place for zero growth in Finland until the whole world shifts to it. We are dependent on the international economy."

Market Competition Between IVO and Neste

A slackening in the overall demand for energy has driven both the electricity producer, the Imatra Power Company (IVO) and the oil and natural gas company, Neste [state oil company] to enter the same markets.

"As long as competition remains healthy in terms of business economy motives, consumers will benefit from it. Over a longer period, the situation might be distorted, when the big companies come under the protection of the state and with its support procure advantages in new sectors," Turunen thought.

The seat left empty by Erkki Vaara on the IVO advisory board is open to the head of the Energy Department. "I haven't had time to think about it and the decision is not mine to make."

Of his term as department head in the ministry, which was known to be a stormy one, Turunen said: "No matter how you do things, you can't avoid criticism, but matters must be firmly handled."

11,466 CSO: 3617/189 ADDING LIME TO WATERS HURT BY ACID RAIN CREATING NEW PROBLEMS

Stockholm DAGENS NYHETER in Swedish 11 Jul 84 p 6

[Article by Matts Dahlstrom, DAGENS NYHETER correspondent in Dalarna: "Experience With Methods Against Pollution--Lime Treatment Causes New Environmental Damage"]

[Text] Lime treatment of acid soil leads to a long sequence of new environmental problems. Among other things, nitrate is released into the ground water, and the growth of the forest stops or is reduced. The ongoing lime treatment of 3,000 acid lakes can also cause worsened ground water.

This was shown by new studies at the Forestry College at Garpenberg in Dalarna and the Agricultural University at Uppsala. Scientists have analyzed different lime experiments which are between 15 and 70 years old.

"The soil is shocked by the lime," said Professor Folke Andersson at the Agricultural University to DAGENS NYHETER. He prepared the study together with Budimir Popovic.

With the lime shock, which can increase the pH value from, for example, four to seven very quickly, the organisms of the soil suffer a nitrogen deficiency. That causes the nitrate to be soaked out. The nitrate runs out of the soil in the water.

This is an entirely new problem, added Professor Andersson.

Nitrogen Deficiency

Lime treatment of forest soil has also led to stopping or slowing of growth in the forest. The most probable cause is increased nitrogen deficiency.

Furthermore Folke Andersson and Budimir Popovic report a number of other new environmental damages following lime treatment:

Breakdown of the organic substances in the soil is increased so that the holding capacity of the soil is reduced. In this way the capacity of the earth to hold water is reduced.

The soaking out of nitrates over a long period of time can cause decreased growth and give increased nitrate content to the ground water.

The connection between fungus and the underground parts of plants, the so-called mycology, is disturbed by the lime so that the absorption of nutrients by trees is worsened.

Boron deficiency can occur after lime treatment. This causes interference with growth in the form of top damage.

"Only in a few cases has lime treatment led to increased forest production," confirmed Folke Andersson and Budimir Popovic.

Consider

Professor Andersson told DAGENS NYHETER that we should consider stopping lime treatment of the forests except in extreme situations such as those in Central Europe, where they have another kind of soil and are forced to treat it with lime to get anything to grow.

Even lime treatment of lakes can, according to Folke Andersson, lead to harming the ground water.

The lime treatment program for 3,000 of the country's 18,000 acid lakes (with a surface area of over 1 hectare) "is like taking an aspirin for a chronic sickness," said Folke Andersson.

Eva Tornelof at the Nature Conservancy Board agreed with Professor Andersson that the war against acid lakes was only a holding action. It is, however, necessary while waiting for a reduction of industrial emissions, she said.

Can Continue

"It is going to be indefensible to continue with lime treatment over the long term," emphasized Eva Tornelof.

Project leader Lars-Erik Liljelund at the Nature Conservancy Board believes that they can continue to fight acid pollution with lime in smaller doses than before. In his area they have released between 5-10 tons of lime, where 1-3 tons should have been sufficient.

"The greatest secondary effect of the lime is in forest production," added Lars-Erik Liljelund.

He also said that at the Nature Conservancy Board they now have new knowledge that parallel with lime treatment, other methods can be used which will affect the forest. Lime treatment which has been applied for several decades has become less effective thereby.

There are other variations of lime, for example that which is derived as a byproduct of steel manufacture. Pellets with nutrients added are also an alternative.

Wood Ash

For the present the Nature Conservancy Board is conducting experiments with wood ash and dry ash on land.

Furthermore in the summer the badly damaged treetops in southern Sweden are being sprayed with a new substance which contains different nutrients, said Lars-Erik Liljelund.

"At the Forestry Directorate in Jonkoping the negative effects of lime treatment are recognized," said bureau secretary Anders Jeppson to DAGENS Nyheter. "But no steps have been taken yet to correct the new problems.

"We have problems with nitrates in the water in certain parts of southern Sweden because of fertilizer and atmospheric fallout," said Professor Stewart Slorach at the National Food Administration in Uppsala.

In smaller, private wells the water can measure more than 50 milligrams of nitrate per liter, which is the limit for infants.

"It is not desirable to have elevated nitrate values in the drinking water. But small amounts do not cause any health problems. Lime treatment can therefore, despite everything else, be necessary in order to stop the still more damaging effects of acid pollution," said Professor Slorach.

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CSO: 3650/250

END